LOCAL FOOD – A SNAPSHOT OF THE SECTOR

REPORT OF THE WORKING GROUP ON LOCAL FOOD

MARCH 2003

LOCAL FOOD – A SNAPSHOT OF THE SECTOR
Report of the Working Group on Local Food

Executive summary

- The Working Group on Local Food was commissioned by Defra's Cross-Cutting Group on regional food to undertake consultation and bring together the work carried out on local food to assist with the development of government policy as appropriate.
- The Working Group sought to gather as many views as possible from a wide breadth of stakeholders and made visits to the local food sector in all the administrative regions of England. This report presents the collation and interpretation of the information collected.
- There are few strategies or frameworks within which local food is explicitly mentioned in public policy at national or regional level. However, projects in the local food sector have successfully gained public funding for their work towards objectives such as neighbourhood renewal, improved diet and promotion of healthy eating, support for the rural economy, urban/rural linkages *etc.*
- The public sector at local level, particularly primary care trusts and local authorities have a key role in the local food sector with a wide range of initiatives in place. However, there is a need to share best practice more effectively.
- There is no single definition of local food. The most widely accepted definition is that used by farmers' markets to identify producers who are entitled to sell there. This can be summarised as: food produced, processed, traded and sold within a defined geographic radius, often 30 miles.
- There is a strong consumer interest in local food and in the alternative shopping experience offered by the local food sector, though as yet this has had little impact on practice. Consumers have a wide range of expectations of local food and include amongst these the role of the local food sector in delivering social, health and environmental benefits in addition to food itself.
- The scope of the local food sector as it is currently operating can not easily be pinned down. The sector is complex and interacting. However, the sector is currently dominantly made up of micro-businesses, most of them farmer/growers, who are seeking to add value to their products and who dominantly use direct and very short chain marketing to consumers.
- Many of the successful initiatives in the local food sector are driven by dynamic, energetic individuals, sometimes volunteers, who are committed to the sector.
- Organisations and individuals, who facilitate links between enterprises at a local scale and provide conduits for co-ordination at regional and national level, play a central role in the sector currently and are essential for its further development.

- It is not clear that the breadth of benefits claimed for local food sector can actually be substantiated by evidence at present. However, there is a need to develop more effective ways to measure the multiple and interacting impacts of most local food projects.
- There is good evidence of the positive impact of trading in the local food sector for small food producers, particularly small farmers who have diversified in this way. There is some evidence of a cumulative effect which stimulates the rural economy (and less so the urban economy).
- Food provides a good focus for community projects – there is good evidence of increased community building in local food projects. Food can also provide a good focus around which curriculum activities might be built in education.
- The role for local food within projects, which seek to promote improved diet and healthy eating, is less clear. However, there is some evidence that the use of local food is more likely to build a local food culture in which dietary changes will persist.
- There is little current evidence about the impact of local food systems on food miles and CO_2 emissions, and because of the complexity of the food chains that have been compared the available evidence is not conclusive. More work is needed in this area.
- Local food enterprises are mostly micro-businesses and hence share many of the barriers and difficulties common to such businesses, no matter what sector they are operating in. There are wide perceptions of inappropriate regulation and a lack of time and resources for business development or training.
- The local food sector currently lacks the diversity of supply and infrastructure at an appropriate scale to support much growth in the processing, distribution and marketing of local food.
- The local food sector is perceived by a wide range of stakeholders to have a wide potential to grow, develop and deliver a wide range of private and public benefits.

LOCAL FOOD – A SNAPSHOT OF THE SECTOR
Report of the Working Group on Local Food

Contents

Appendices

LOCAL FOOD – A SNAPSHOT OF THE SECTOR
Report of the Working Group on Local Food

1.0 Introduction

Food is essential to fuel daily life and a good diet makes an important contribution to health. But food can also add much more to life. Food and eating are part of national and local culture. Shared meals are used to mark a celebration, whether for a family or community, and can be important ways to enable the sharing of cultures. The food industry, whether production, processing, manufacture, distribution or retail, is an important component of the economy at national and local levels. Nationally the food chain employs 12.5% of workers and accounts for 8% of the UK economy[1]. The food industry can also have numerous social and environmental impacts at national, regional and local levels[2].

This report does not begin by pre-supposing any particular definition of what "local food" is – instead we have encouraged all to share their views with us. However, we will examine the range of definitions and expectations associated with local food in later sections. It is also important to realise that even the strongest proponent of local food systems, who talked to us, is not proposing that there should be no further regional, national or international trade. This is not an examination of a case for isolationism. It is clear that no community will produce all the food products that it will want. However, there may well be opportunities for an area to link food supply and demand more closely with consequent potential changes to the economic, social, health, educational and environmental impacts of the food sector.

In carrying out the consultations and undertaking the visits that underpin this report we have sought to gather as many views and opinions as possible, and we thank all those who have made this process possible in a relatively short time. However, undoubtedly some people will feel we have not given their view sufficient weight. We accept full responsibility for the analysis and interpretation of the information we have collated. We hope that you will find this document useful and, perhaps, stimulating.

2.0 Background

2.1` The Working Group on Local Food

2.1.1 Aims and objectives

In response to the 'Curry' report (Section 2.2.2) and reflecting the wide interest in local food within government (Section 2.2.1), the Working Group on Local Food was put together by the Defra Cross-Cutting Group on Regional Food in summer 2002. Its aim was to consider the evidence relating to the impacts of local food initiatives and the wider issues related to local food, to assist the development of government policy, as appropriate. In particular, the Working Group on Local Food agreed to report its findings to the Defra

---

[1] The Strategy for Sustainable farming and Food. Facing the Future. Defra. December 2002.
[2] A Vision for Sustainable Agriculture. Sustainable Development Commission. November 2001. www.sd-commission.gov.uk

Cross-Cutting Group on Regional Food. The Working Group on Local Food identified the following series of objectives to be completed by spring 2003:

- To bring together work carried out on local food to date and evaluate the claims made for local food with reference to the current evidence, through desk studies and discussion with key stakeholder groups in the local food sector;
- To monitor and contribute to discussions of ongoing research on local food and related issues;
- To consider whether any further research is necessary; and
- To prepare a paper on local food issues which will be discussed in the Defra Cross-Cutting Group on Regional and Local Food and which can be shared more widely across government.

2.1.2 Membership

The Working Group had working members from a number of government departments, with a number of other departments acting as interested observers.

Working members
Elizabeth Stockdale, Food Chain Strategy Division, Food Standards Agency
Simon Johnson, Regional and Local Food Branch, Defra
Vivien Wilson, Rural Enterprise and Policy Branch, Defra
Peter Simpson, Eat the View initiative, Countryside Agency
Bob Collins, National School Fruit Scheme, Department of Health

Other interested government departments:
Social Enterprise Unit, Department of Trade and Industry;
Small Business Service, Department of Trade and Industry;
Active Community Unit, Home Office;
Tourism Policy, Department of Culture Media and Sport;
Curriculum Division, Department for Education and Skills
Planning Policies Division, Office of the Deputy Prime Minister
Strategic Development Division, Office of the Deputy Prime Minister
Sustainable Development Commission.

Secretariat
Angela DiIorio, Food Standards Agency, October – December 2002
Fiona Tobin, Food Standards Agency, January – March 2003

2.1.3 Methodology

In the scoping phase of the work, the Working Group sought to identify all the key interested parties (both inside and outside government). The scope of the research was restricted to England only, after consultation with interested parties in Scotland, Wales and Northern Ireland. However, any published evidence or responses to the written consultation received from Scotland, Wales and Northern Ireland were included within the analysis. In this phase the Working Group also reviewed the current published evidence with regard to local food issues and established a limited set of key questions, which were felt to require further investigation.

During the investigative phase of work between September 2002 and early February 2003, the Working Group carried out more focused investigations on the identified key questions. The Working Group sought to collate information on the policy frameworks in place at national, regional and sub-regional levels and to collect information on the local sourcing initiatives currently in place with major retailers. A written consultation was also carried out with a wide range of stakeholders and local food enterprises to collect information on their perceptions of the impact and role of the local food sector. Over 500 stakeholders were contacted. To add value to the information collected centrally, the Working Group sought to work with stakeholders in the regions. With their help, a number of regional visits were organised which included regional meetings and visits to a range of local food enterprises in England, these allowed the Working Group to see the situations, impacts and difficulties of enterprises in practice. Finally the Working Group held a one day facilitated workshop to enable a range of players and commentators in the local food arena to debate more fully the present state of the sector and its impacts and to review the potential for this sector. These processes were immensely valuable for the Working Group and significantly enriched the data, which was collected by the written consultation.

This report represents the collation of the evidence collected in the investigation phase together with the published information available on the local food sector.

2.2 Current policy frameworks

2.2.1 Public policies at national level

While there are very few policies specifically targeted at local food at national level there are a number of policies that are indirectly related to the local food sector (Appendix 1; Table 2.1). The local food sector has been recognised as being relevant to a number of these government policy objectives. Local food initiatives have received public funding through initiatives related to many of these policy areas with the projects delivering objectives as diverse as improved land management and reductions in social exclusion.

2.2.2 The Policy Commission on Farming and Food ('Curry' Report)

In August 2001 the Government set up the independent Policy Commission on the Future of Farming and Food to advise on the future direction of food and farming in England, thus fulfilling a manifesto commitment. The Policy Commission presented its report, "Farming and Food: A Sustainable Future" to the Government on 29 January 2002. This report, which has become known as the 'Curry' report, stated that:

> *"We believe that one of the greatest opportunities for farmers to add value … is to build on the public's enthusiasm for locally-produced food or food with a clear regional provenance."*

Table 2.1 Policies identified as potential drivers for local food

The following are aims/policies of government departments to which local food may be relevant
– Economic prosperity through sustainable farming, fishing, food, water and other industries that meet consumers' requirements; – Thriving economies and communities in rural areas and a countryside for all to enjoy – Improve people’s access to and awareness of fruit and vegetables and make it easier for them to eat more – Making it possible for people to choose a healthy diet and reducing inequalities by enabling and encouraging the disadvantaged and vulnerable to improve their diets – Dynamic and sustainable social enterprise, strengthening an inclusive and growing economy – To generate wealth for everyone in the UK by helping people and businesses to become more productive and more successful – Enable all young people to develop and equip themselves with the skills, knowledge and personal qualities needed for life and work – Making a difference to people's lives by helping to raise the quality of life for all and to improve the communities they live in. – Reconnecting the consumer with the countryside – Delivering urban renaissance and rural renewal by ensuring that everyone has access to high quality and well maintained and managed spaces and facilities. – Encouraging tourism businesses to source and promote the use of local goods and services. – Build thriving, inclusive and sustainable communities in all regions.

The ‘Curry’ report briefly considered the opportunities for local food to be increasingly taken up by supermarkets, local retailers, hoteliers and restaurateurs. The main barriers to development of the sector were highlighted as lack of technical knowledge, difficulty of access to start-up finance, lack of processing facilities in the region, need for an expansion of the market place for local food.

The ‘Curry’ report contained 105 recommendations, with a common theme of reconnection within the food chain. The report also makes it clear that the onus is not on Government alone to deliver this change: many of the Commission's recommendations were targeted wholly or partly at industry, which has a pivotal part to play in this process. A number of those recommendations potentially have an impact on the local food sector, including recommendations that:

- Regional Development Agencies should consider how to overcome problems of distribution and availability of processing within their regional economic strategies and seek to encourage the networking and planning that are necessary for the development of these local initiatives.

- Local education authorities should try and ensure that all school children get the chance to visit working farms at least once, as enjoyable days out as well as a learning experience.
- The Department of Health, the FSA and DEFRA should come together to produce a strategy on all aspects of encouraging healthy eating, in consultation with academic and medical experts ... in particular, we believe that primary care trusts as part of local strategic partnerships should ensure that a food dimension is included in health improvements and community plans, which should include monitoring of food and health inequalities.
- We recommend that the new cross-Government group which has been set up to examine how Government procurement can support environmental outcomes should look at the area of food sourcing and public procurement rules.
- We encourage city councils to provide suitable sites and facilities for (farmers') markets in areas that are under supplied by retailers. These sites should meet all appropriate hygiene and food safety standards.

In response to the 'Curry' report Defra has published "The Strategy for Sustainable Farming and Food". This strategy aims to promote a competitive and efficient farming and food sector, which protects and enhances the countryside and wider environment, and contributes to the health and prosperity of all our communities (Appendix 1). The strategy defines a range of economic, social and environmental outcomes and indicators against which progress will be monitored and evaluated.

2.2.3 Public policies at regional level

The Working Group realised that there was likely to be significant regional variation in policies and practices with regard to local food across England. We therefore consulted with Regional Development Agencies (RDAs) and the Government Offices (GOs), both Rural and Health Teams - the response rate was around 75%. It was clear from the responses that RDAs and GOs were aware of the other regional interests in local foods - local authorities, Food Links groups, food business centres, Business Links, Health Action Zones, Rural Regeneration Zones, Health Task Forces.

Few regions had a formal strategy on local food. But there were a number of strategies in place, which impacted on local food directly or indirectly. Funding to deliver aims of the strategies come from a range of sources. Both GOs and RDAs provide varying levels of project funding for initiatives such as research, pilot projects, local food groups, promotional activities and farmers' markets. Other sources of funding include Objective 1 and Objective 2 money. In addition, both the GO's and RDA's play an active role in co-ordinating ERDP projects in their regions and in having a strategic input into how the SEED lottery fund is used. At a regional level support for the local food sector is most commonly in the following areas, many of which result from drivers at a national government level:

- Mapping the sector in the region;
- Mapping the red meat sector and evaluating the need for local abattoirs;
- Providing more co-ordinated support for farmers' markets;

- Using local food projects to build closer links between town and countryside;
- Improving health and diet;
- Encouraging/enabling local producers to supply public procurement contracts;
- Encouraging local sourcing for National School Fruit Scheme;
- Increasing the competitiveness of farmers in the region;
- Supporting rural recovery.

The role of the Regional Food Groups

Regional Food Groups (RFGs) now exist in all the RDA regions except London. They are Taste of the West (TOTW); the South East Food Group Partnership (A Taste of the South East, ATOSE, have covered part of the South East); Taste of Anglia (TOA); Heart of England Fine Foods in the West Midlands (HEFF); Food and Drink Forum in the East Midlands; North West Fine Foods (NWFF); Yorkshire Regional Food Group; and Northumbrian Larder covering the North East. Of these five (TOTW, ATOSE, TOA, HEFF and NWFF) were set up with the support of Food from Britain (FFB) to provide trade development services for small regional food business. They are private companies formed primarily of members who are involved in the production/preparation and marketing of speciality food and drink. They provide a range of market development services including the preparation of trade directories and publicity material, public relations activities, information exchange and the organising of participation in shows and exhibitions. There are also a large number of similar groups which operate at a county level, space in the report does not allow full details of these groups to be given.

Under Defra’s Regional Food strategy (Appendix 1), FFB, with additional funding from Defra (for each of the next three years starting 1 April 2003), will be taking a lead role in England in implementing a national programme of regional food initiatives covering trade development, increasing competitiveness and raising consumer awareness. Some of these activities will be delivered by FFB itself. Regional service providers (these may well be the Regional Food Groups in each RDA region) will deliver other activities at a regional level. This will complement the substantial assistance to the sector by the RDAs who within their own regional food strategies are addressing issues relating to the availability of processing facilities and problems of distribution.

2.2.4 Public policies at local level

Public policies at a local level, including those of local authorities and primary care trusts, impact on food issues in a number of ways. Provision of food directly through catering and meals services, the supply and management of allotments, promotion of access to fruit and vegetables through support of community schemes are only a few of the ways that these policies have an impact on the daily lives of communities. Links between food production and landscape are often encouraged by National Parks Authorities and in Areas of Outstanding National Beauty; and this leads to opportunities for the development of local food projects aimed both at tourists and local residents.

In a survey of food/nutrition initiatives amongst local authorities which was carried out by the Local Government Association, LACORS and the FSA[3], 35 local authorities responding to the survey (c. 70 responses were received in total), indicated that they were actively involved in food/nutrition initiatives which involved local food. An additional 15 local authorities and/or Primary Care Trusts responded to the consultation of the Working Group on Local Food and outlined the policies and initiatives that they have in place with regard to local food. A majority of the initiatives on food/nutrition in place at local level identified included links to local food production. The respondents were well distributed across England and represented a mix of rural and urban areas.

It is clear that initiatives relating to food at local level are driven by and interact with a number of policy areas at local level (Table 2.2). As a result Local Authorities and Primary Care Trusts are involved in a very wide range of practical initiatives and projects which involve and support local food (see examples in Table 2.3). In many areas, consideration of the policy interactions at local level has taken place, working together with a wide breadth of stakeholders. However the process of bringing together a wide range of policy interests is not easy and can have significant cost in terms of time and money. During our visits a stakeholder within local government observed that:

> *"There is interest in a wider agenda; food seems to be a part of the agenda of many people, but no one group has the responsibility to develop a food strategy that takes on board all the points at which food can interact with communities and policies. In some ways the agenda may be just too big for any one policy team to take ownership of, and there is no clear overarching framework within which joint working can easily be stimulated and supported"*

Table 2.2 Policy areas which were identified by respondents to the consultation from the local public sector as giving rise to policies relating to local food.

Policy areas to which local food is linked
– Health – diet and healthy eating – Rural economy – Local Agenda 21 (sustainability) – Rural development – Tourism – Environment – Community development – Planning – Quality of life – Food safety and standards – Allotment management – Education

[3] Some more detailed results of that survey are given in: Food: the local vision – a joint statement by the LGA, LACORS and the FSA. Published by LACORS/LGA/FSA. 2002.

Table 2.3 Examples of the current roles in the local food sector taken by the public sector at a local level

Typical responses to the question: Describe your involvement with the local food sector
– We support our local farmers' markets, through providing sites and promotion. – We co-ordinate farmers' markets in the area (as part of our Local Agenda 21 commitment). – We offer retail consultancy, business planning and some grant aid to small food producers, as well as supporting farmers' markets. – We have worked with others to develop a local food directory and run an annual food fair. – We provide advice to local producers and enforce food law. – We have provided a small grant scheme to channel money from Objective 5b funding to provide training and mentoring for small producers. – We support and promote local markets and shops and encourage direct sales of food from farmers to the public. – We have commissioned some research into the barriers in the local food supply chain. – Community development work in deprived wards using participatory techniques has led to a number of local food projects. – We provide support for a range of small scale community–led initiatives that link food and health by providing pump-prime funding and advice. – We have provided support to a group of local food producers who supply schools and community centres for breakfast and lunch clubs. – We have worked with the Allotment Association to promote and encourage local growing by groups and individuals. – We have worked with the PCT to develop a range of projects including a growing project that links nutrition and exercise to tackle obesity and grow it and cook it initiatives to promote the 5-a-day message. – We support local food/nutrition issues in schools (healthy schools programme) by working with schools to integrate growing, cooking and eating into the curriculum.

Designation of an area as Health Action Zone or access to funding through the New Opportunities Fund has often acted as a spur to such strategic and co-ordinated policy development and action. In some areas the Local Strategic Partnership has also taken an important role in developing and managing such cross-cutting issues. This work may have led to a specific food or food and health policy for the local area or alternatively the process has ensured that food issues are considered in *e.g.* the local community plan or Local Agenda 21 strategy.

Through its consultations and visits the Working Group on Local Food has recognised the key role that the public sector at a local level has within the local food sector. However, policies and practices at local level can vary widely and there is clearly scope for public authorities at a local level to learn from good practice already in place around the UK. While local authorities and Primary Care Trusts are aware that there are a wide range of sources of funding available for projects which support healthy eating initiatives and link the food/health/education/environment agenda, they often lack the time and staff to fully access these resources adequately. LGA, LACORS and the FSA plan to develop a programme of best practice, bringing together the expertise of practitioners in the field, and relevant organisations, to help provide support to enable local authorities to develop a more strategic approach to addressing food issues locally[4]. This work may identify more effective routes and means of communication and is likely to have a direct impact on public policies at local level with regard to local food.

Currently the public sector at a local level is not a significant customer for local food. Work within Defra to look at how far, without breaching the EU procurement rules, public procurement can incorporate sustainability targets (Appendix 1) may also have a significant impact at a local level on the role of the public sector as a customer for local food.

3.0 What is local food?

There is no single clear definition of "local food", and there are very few definitions actually in use in relation to the marketing or sale of local food. The following section therefore presents the key definitions (and their contexts), which have been given most frequently during our research and then goes on to explore some of the phrases commonly used to describe what is meant when local food, local food initiatives or local sourcing are discussed.

3.1 Definitions of local food currently in use

3.1.1 Definitions used by farmers' markets

National Association of Farmers' Markets (NAFM)

NAFM have just launched a national Certification scheme to ensure that its members (farmers' markets) are venues exclusively reserved for producers selling their own produce direct. NAFM encourages these producers to be as 'local' as possible and gives guidance on the use of the term local. The NAFM definition is adopted by all affiliated farmers' markets and most non-affiliated markets. The NAFM definition/criteria for market certification that a farmers' market must include a definition of the term local in their rules. This is recommended to be:

- A radius within 50 miles of the market (30 miles is recommended)
- A county boundary

NAFM reserves the right to approve the definition used by each market to check that 'locality' is a key factor in whatever definition is adopted. Each NAFM member market definition should be openly available to the public at every market. The majority of NAFM members use the 30-mile radius as their definition of 'local'.

[4] Food: the local vision – a joint statement by the LGA, LACORS and the FSA. Published by LACORS/LGA/FSA. 2002.

Producers may attend the market from further away, but preference should be given to local producers when a stall is available. Stallholders who are making products for sale, (*e.g.* cakes) are encouraged to source ingredients from within the local area of the market, or at the market itself. Producers outside the radius defined as local may not call their produce 'local'.

London Farmers' Markets (LFM)
LFM are members of NAFM. However, being in the centre of a large urban environment, LFM have to attract producers from further distances than other NAFM members. Because of this, they call their producers 'regional' rather than local. LFM rules restrict trading at the markets to producers who have raised, made, grown, produced, caught or baked the products that they are selling within 100 miles of the M25. The major ingredients for any processed goods should be raised, grown or caught within 100 miles of the M25. Producers should buy ingredients from the market itself wherever possible.

3.1.2 Definitions used in county and other geographic area schemes

There are several county and geographical area schemes, in operation, across England. Most have been developed together with local Trading Standards Officers to ensure that they are enforceable and enforced, where they are used. The following are typical examples of this type of scheme:

Direct from Dorset
To receive product accreditation the business must be based and operate within the County of Dorset.
Non-processed products:

For raw meat products the animals must have spent at least 50% of their lives in Dorset. In all other cases the product must have been grown, reared and/or produced in Dorset.

Processed products

The product's components must meet the above criteria and the process must have taken place within Dorset.
However a product may still be eligible if the majority of its ingredients originate within Dorset, provided that the remainder cannot be sourced within the county *e.g.* sugar.

Tastes of Lincolnshire
The scheme is open to local produce and locally produced food and drink where the product or main ingredient has been reared or grown in Lincolnshire and/or, the product has been made in Lincolnshire and contains only essential non-Lincolnshire ingredients. For example in a product such as Lincolnshire Plum Bread, it is accepted that the dried fruit and spices may not be of Lincolnshire origin.

3.1.3 Definitions used by other stakeholders

Aside from the definitions used by NAFM and certain geographically based schemes, the definitions most frequently used by stakeholders were those originally developed by the following individuals/organisations. They are given here in the form in which they were most often given to the Working Group.

Farm Retail Association (FRA)
Local foods are fundamental to all businesses represented by the Farm Retail Association, which adopt a number of strategies for direct sale including farm shops, Pick-Your-Own, home delivery and farmers' markets. Within this mix the farm shop is the most complex with a need to ensure a mix of produce and products so that the enterprise is commercially viable and year-round. The FRA encourages farmers to engage locally to enable sourcing of locally produced goods and encourages its members to adopt a Code of Practice which ensures that own produce and local foods are the dominant goods sold. In this context, own produce is defined as the produce of the holding, including co-operatively produced foods (*e.g.* sausages from the farm's meat). Local produce is defined as the produce of neighbouring farms and suppliers from the immediate area. Only where such products are not available should the farm shop consider sourcing county or regional foods, British produce or imported goods *e.g.* bananas. Many recent planning permission consents from local authorities, following the Prime Minister's Action Plan for Farming reflect this balance in the actual consents given.

Sustain
Local food is food which meets the following criteria:
- Produced, processed, traded and sold within a defined radius (e.g. 30 miles) and/or proximate, originating from the closest practicable source source or minimising energy use.
- Profitable for the producer, processor and retailer.
- Healthy as part of a balanced diet and not containing harmful biological or chemical contaminants.
- Fairly or co-operatively traded between producers, processors, retailers and consumers.
- Non-exploiting of employees in the food sector in terms of pay and conditions.
- Environmentally beneficial or benign in its production (*e.g.* organic).
- Accessible both in terms of geographic access and affordability.
- High animal welfare standards in both production and transport.
- Builds social capital and is socially inclusive of all people in society.
- Encouraging knowledge and understanding of food and food culture.

Soil Association
While the Soil Association do not have a definition of local food *per se*, they do have a widely used definition of sustainable local food economies, local food is therefore food arising from such a system:
A system of producing, processing and trading, primarily organic and sustainable forms of food production, where the physical and economic activity is largely contained within and controlled within the locality or the region where it was produced, which delivers health, economic, environmental and social benefits to the people in those areas.

J. Kloppenberg, American academic

J. Kloppenberg has coined the term "foodshed" to describe "self-reliant locally or regional based food systems comprising diversified farms using sustainable practices to supply fresher, more nutritious food to small-scale processors and consumers to whom producers are linked by the bonds of community as well as economy"[5].

FLAIR/f3

In some cases the goals of local food systems rather than a definition are used to provide a framework to allow discussion amongst stakeholders. This is similar to the approach taken by organic agriculture systems, which are often discussed with respect to their guiding principles[6].

e.g. Local food systems aim to:

- Increase biological diversity in production systems;
- Reduce consumption of energy in distribution of food;
- Reduce packaging waste in distribution and consumption;
- Increase retention of the food pound in local economies;
- Increase local employment in food production, processing and sale;
- Increase use of existing markets and buildings;
- Increase levels of employees skills and knowledge;
- Improve access to diverse and high quality food for all;
- Increase opportunity for informal exchange and communication in communities.[7]

3.1.4 Definitions used by supermarkets

A number of supermarkets have local and/or regional sourcing policies, usually managed in tandem, however there are few clear definitions available. CPRE questioned 10 supermarket chains about their policy on local foods[8] and revealed that there was vagueness about what is meant by local foods, with most supermarkets including regional foods within the category. Our conversations with seven multiple retailers indicated that the distinction between local and regional sourcing is usually one of scale, so that regional products have clear and identifiable provenance within the region and are sold widely within that region with no restriction. When local/regional products further expand their market and are sold in all stores nationally, often they then fall outside the responsibility of the regional/local sourcing managers.

The most important distinguishing mark of local products seems to be that the products should be recognised by customers as local, so that "to some it means food produced on their local farm, to others it means from their county or UK region[9]". It is customer demand that drives the listing of particular local and regional products in a store. Consequently some retailers don't feel the need to have a definition, but prefer the flexibility to respond to

---

[5] Kloppenberg J. quoted by Pretty J, Foreword to A Share in the Harvest. A feasibility study for Community Supported Agriculture. Soil Association. (2001)

[6] International Federation of Organic Agriculture Movements, Principles and standards for organic production. (1998)

[7] Given at "Indicators of a local food system" at: Strategic Roundtable Discussion. Towards Sustainable Food Economies. FLAIR. (September 2001).

[8] CPRE 2002 Down your way? A CPRE briefing on supermarkets and local food (2002)

[9] Sir Peter Davis. The Saturday Essay. The Grocer (17/8/2002)

particular customer demands. Products described by supermarkets as locally sourced include produce grown locally, livestock reared locally, a local delicacy or recipe and products from well-known local manufacturers. Generally provenance is more important than any particular distance from source to sale. Waitrose is the only multiple retailer to have imposed a geographic restriction which is applied to its “Locally produced” range, these products must be produced within a 30 miles radius of the store in which they are sold. For manufactured products (*e.g.* bread, biscuits, beer) the location of the producer is more important than the provenance of the ingredients; in some instances ingredients are also required to be dominantly from the local area. The vision is encapsulated in the following description given by a buyer:

> *“Smaller producers, farmers or growers producing authentic, seasonal, possibly traditional foods. Recipes made with the best ingredients, ideally from the locality, with natural ingredients and without the chemistry set approach. Fully traceable foods with provenance and integrity.”*

There is a tendency for supermarket stocked ‘local’ foods to be those which have a distinct and unique quality (tending towards the speciality market), rather than commodity goods:

> *“Fruit and vegetables don’t tend to have the ‘unique’ element we want from local produce – a cabbage is a cabbage wherever it is grown … ”*[10]

3.1.5 Definitions used by enterprises

Enterprises that responded to the consultation applied a wide variety of meanings to the term local (Appendix 2). However, generally, the meanings could be grouped as follows:

- A maximum distance from where the product was created or sold – normally 10 – 50 miles
- Within a particular/adjoining counties
- The product was ‘home produced’ or traceable
- Definitions that included the term local (*e.g.* “locally grown and sold”)

Although some enterprises were using the claim local *e.g.* in labelling vegetables for sale, very few had ever been questioned about the use of this term by their local Trading Standards officer.

While the majority of enterprises made claims that their products were local, a smaller number also claimed that they bought goods described as ‘local’. When buying local products the enterprise’s definition of the term local shifted perceptibly. A comparison of the associations from both buyer’s and seller’s perspective illustrates this paradox (Table 3.1). The definitions used by enterprises when making a claim that food is local for marketing have little overlap with the expectations the same enterprises has when buying local food.

[10] Your Society. The national magazine for members of the Co-operative Group. (January 2003) p 13.

Table 3.1 Definitions given for local food for products sold compared to those given for products bought

Seller	**Buyer**
Distance	Traceability/trust issues
In the county/neighbouring counties	Superior Quality
Home-made	Freshness
Definition which incorporates the term	More environmentally sound
Local	Support local economy

3.1.6 Definitions employed by policy makers

To date policy makers have made little attempt to define local food. Where a definition has become necessary, they are most likely to refer to the NAFM definition or a definition which makes reference to some other limited geographic area *e.g.* county.

3.2 Expectations of local food

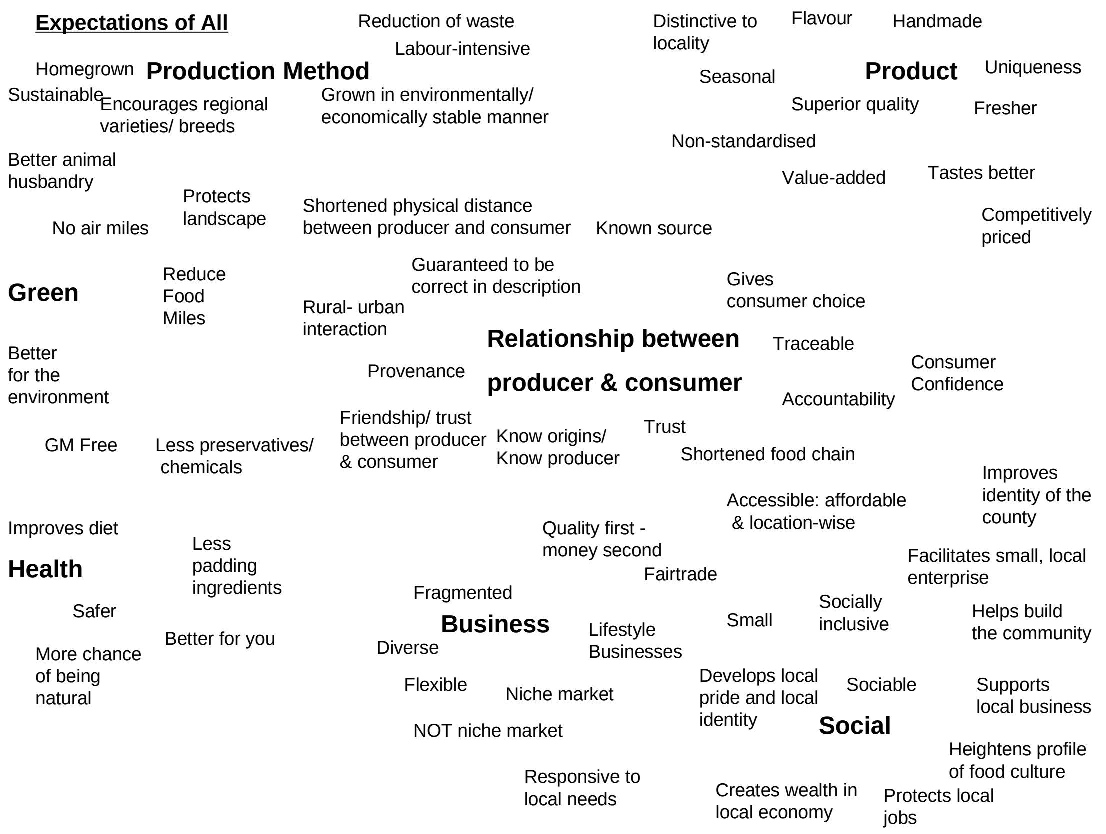
Respondees to the consultation were asked to give their expectations of local food and to give what they thought were the key characteristics of the local food sector. Taken together with the consumer research (described below) it can be seen that the term 'local food' appears to carry many value-based perceptions rather than simply being associated with more easily measured physical characteristics (Figure 3.1). Responses were mainly associated with product qualities, the relatively direct relationship between producer and consumer, production methods, views about businesses and markets and various other value-based perceptions (grouped as social, health and 'green').

3.2.1 Expectations of local food by consumers

Despite the lack of a clear definition and the lack of exposure of consumers to local food (only 9% of consumers said that they purchased local food direct from the grower quite or very often[11]), research carried out by the Institute of Grocery Distribution (IGD) on local foods[12] showed that the concept of local foods was attractive to consumers (59% of consumers said they were quite to extremely interested in buying local food). In a recent TESCO survey, 1 in 4 customers questioned also said they wanted more local products[13]; however, there is little evidence of this having an impact on purchasing decisions.

[11] IGD Consumer Watch (March 2002)
[12] IGD Consumer Watch (March 2002)
[13] www.tescofarming.com

Figure 3.1 Perceptions of local food expressed by consumers, stakeholders and enterprises



FSA consumer research on consumer choices in relation to food showed that although there is sympathy for local food, consumers don't have a single coherent framework which underpins the values they associate with local food[14]. The proximity of the source of food to the consumer emerged from the IGD qualitative and supporting quantitative work as the defining factor for local food[15]. This is strongly supported by further qualitative research carried out for the FSA[16] - in the consumers mind local food is clearly "food from near me". For consumers, 'local' refers to food produced in their county and sometimes neighbouring counties, where people tried to quantify a geographic radius, all fell within a 50-mile radius[17]. There is a difference between regional and local foods[18] (dominantly seen as an increase in the area from which the food comes and perhaps an increase in the scale of production); a tiny proportion of consumers believed local simply meant British.

Local foods are automatically associated with fresh fruit and vegetables and meat, with some extension to meat and dairy products rather than processed/manufactured goods[19]. Local is a potentially important

[14] Future of Food and Farming Qualitative research carried out for the FSA. (March 2002)
[15] IGD Consumer Watch (March 2002)
[16] Local Food: Qualitative Research carried out for the FSA (March 2003)
[17] IGD Consumer Watch (March 2002)
[18] IGD Consumer Watch (March 2002)
[19] IGD Consumer Watch (March 2002)

characteristic of almost any kind of indigenous fresh foods, provided it can be grown in the area.[20] Local is also important for prepared or processed foods that are perceived to need some skill or craft in their production *e.g.* cheeses, sausages, baked goods, preserves, particularly where there is a clear link to the producer themselves when they are sold[21]. To become local, ingredients have to be changed significantly through local skill, not just packaged or handled; local recipes and traditions are also important. Scale of production is important so that a local factory producing large volumes of food is less likely to seem 'local'[22]. However, local products are unlikely to sell simply because they are local, but will also need to compete well in terms of price, quality and availability, particularly if they are sold in the supermarket[23].

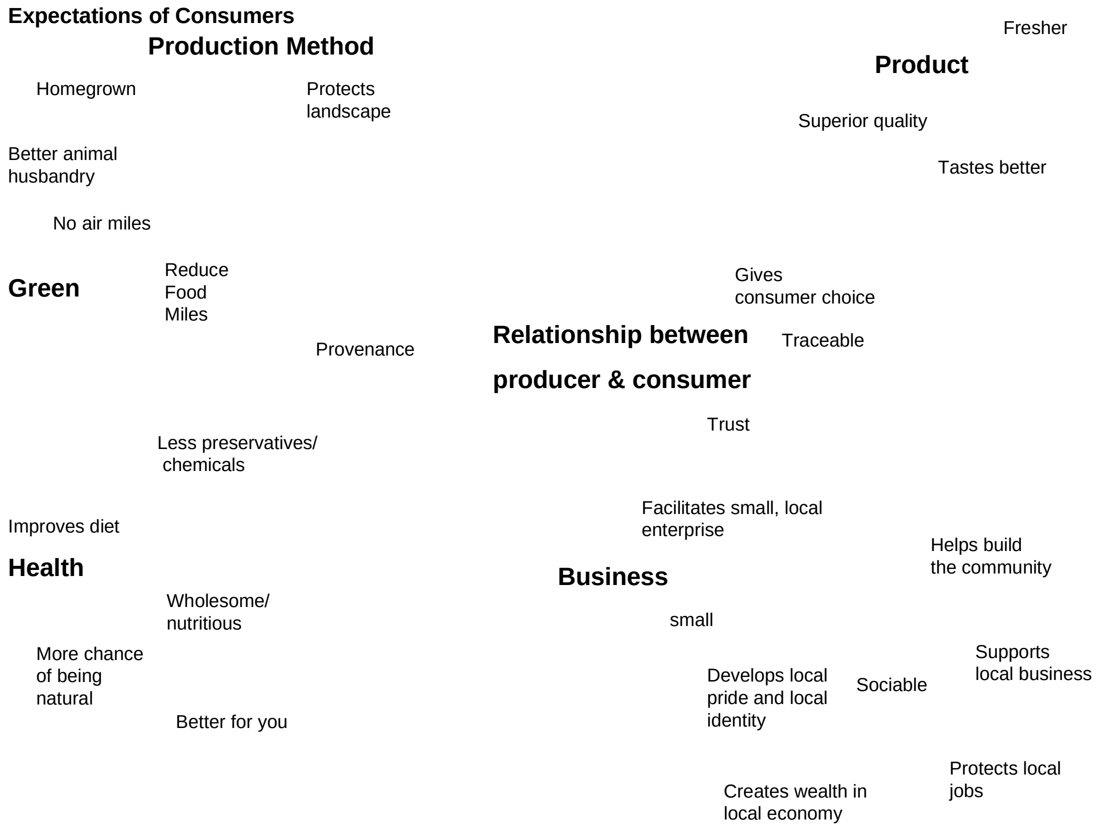
FSA research has shown strong latent interest amongst consumers in many of the issues which local food is claimed to address (*e.g.* transport distances, freshness, anonymous mass produced food, supporting local economy, local pride)[24]. Subsequent research has shown that local food ties in with various clusters of concerns and aspirations of consumers (Figure 3.2) where some of the motivations are intrinsic and relate to the perceived benefits of the food itself (as outlined above), while others derive from much wider concerns or interests *e.g.* supporting the local economy, reducing artificial preservatives in the diet[25].

The key characteristics of local food for consumers (Figure 3.2) are:

- The quality of the product, especially freshness and superior quality, which are perceived to be reflected in the taste
- Aspects related by consumers to health, such as food containing fewer chemicals and preservatives. There was also a perception of wholesomeness and nutrition. Consumers who had these perceptions were also more likely to perceive that local food would be better for the environment.
- Social aspects were also of key importance to consumers. In particular protecting local jobs and enhancing the local economy were seen as important contributions to be made by the local food sector.

[20] Local Food: Qualitative Research carried out for the FSA. (March 2003)
[21] Local Food: Qualitative Research carried out for the FSA. (March 2003)
[22] Local Food: Qualitative Research carried out for the FSA. (March 2003)
[23] IGD Consumer Watch (March 2002)
[24] Future of Food and Farming Qualitative research carried out for the FSA. (March 2002)
[25] Local Food: Qualitative Research carried out for the FSA. (March 2003)

Figure 3.2 Perceptions of local food expressed by consumers



3.2.2 Expectations of local food by enterprises

Of all the associations, with the term local food, the phrase 'high quality product' recurred most frequently in our consultations with enterprises (Figure 3.3). It should also be noted that expectations for local food were clear when enterprises were considering addressing primary products. The issue became a great deal more clouded when discussing processed or part-processed foods. Most of the enterprises' expectations centre on the quality of the product which is reflected in the taste and the relationship that the product creates between the producer and the consumer. There are some others that could be clustered around environmental, social and health issues.

3.2.2 Expectations of local food by stakeholders

Stakeholders perceive that local food has the potential to deliver a wide spectrum of value-based objectives (Figure 3.4). While many of the expectations of the product itself are similar to those held by consumers and enterprises, stakeholders also appear to hold the view that products may be unique and representative of a particular area – these types of expectations are often associated with regional foods. Stakeholders were also much more likely to see the method of production as playing a key role in the character of the food produced. There is also some clear divergence between stakeholders as to whether the local food sector should be associated with niche marketing of added value goods or supplying all types of foods to all consumers.

Figure 3.3 Perceptions of local food expressed by enterprises

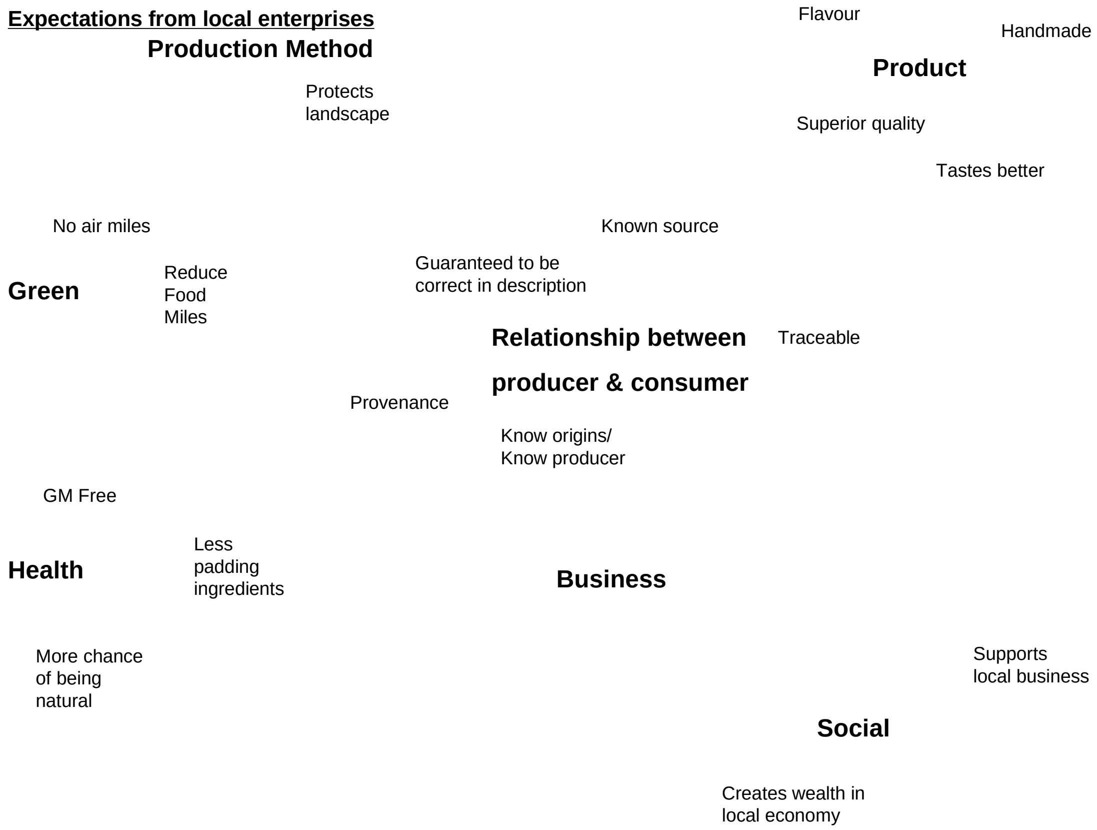
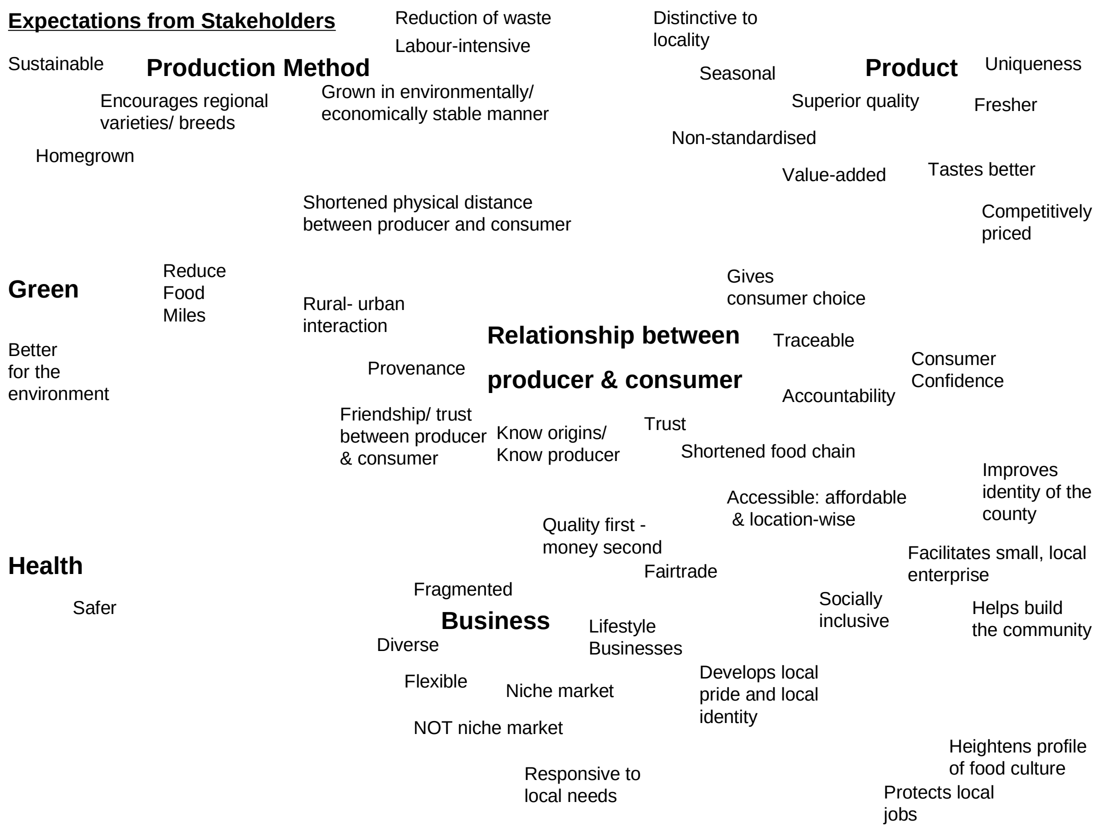


Figure 3.4 Perceptions of local food expressed by stakeholders



3.3 Is a definition necessary?

We challenged enterprises and stakeholders on regional visits and at meetings to reflect on whether a definition for local food was necessary.

Enterprises were divided about whether an enforceable definition would be helpful to the local food sector. Some felt that any imposed definition might smother the sector and merely impose additional paperwork for verification purposes. Others felt that a definition would provide some protection against 'cowboys'. There was no clear consensus among enterprises regarding the nature of the definition or even whether a definition should be introduced.

Multiple retailers would generally welcome more clarity in the definition of local food, but resist any rigid verification mechanism or any bureaucratic measure that would stifle the innovation characteristic of the sector. Different approaches might be necessary where claims about local sourcing are made as part of a retailer's presentation of their market position rather than as claims 'on pack' for any particular product or range.

Stakeholders were also generally agreed that a single agreed definition would be extremely useful (Appendix 3). While definitions run the risk of becoming very narrow and constraining, clarity of purpose for local projects is essential. Most stakeholders felt that a definition would:

- Improve public understanding of the sector;
- Maintain or raise standards and protect the sector from exploitation;
- Determine eligibility for grants or other support;
- Allow the setting up of any future accreditation or assurance scheme.

However stakeholders also expressed some concern that any definition should not prove unnecessarily burdensome.

4.0 The current structure of the local food sector

Given the wide variety of definitions and expectations of local food, it is perhaps not surprising that it is also difficult to define precisely the scope and extent of the local food sector, either in terms of local production and processing or local retail. Our visits only gave us a snapshot of the local food sector in the regions (Appendix 4). Estimates of the turnover of the sector have been attempted[26] and it is clear that local food currently makes up only a very small proportion (1-5%) of the total grocery market share. However, because of the difficulty in defining the exact scope of the sector, there are no reliable figures available. Because the local food sector is currently fragmented, small scale and exists on the fringe of the food market, most consumers have no clear sense of what the local food sector is, they just trip over bits of it in a piecemeal way and respond pragmatically to it as they find it[27].

It is possible to identify a number of business/enterprise types and activities that occur and would usually be described as part of the local food sector in the UK (Appendix 5). These clearly include farmers, abattoirs, processors, manufacturers, retailers, catering and hospitality establishments who have a deliberate strategy to purchase the majority (if not all) their produce locally; they also sell their produce locally to locals. An increasing

---

[26] MacGillivray A. Local Food in Britain. A research review for CPRE. (2001)

[27] Local Food: Qualitative Research carried out for the FSA (March 2003)

number of farm businesses are seeking to add value to their products and to sell directly to consumers via farm shops, pick-your-own, mail-order/web-sites and farmers' markets. To complete the sketch of the local food sector, we need to add community food projects, particularly those that include community growing or grow-your-own schemes, allotments and home gardens. In fact any one local food project can include a wide range of these activities and different organisations (which could all be described as involved with local food) may have no or few activities in common.

The definition of the scope of the local food sector becomes most complex at its edges. Some local food projects may have no direct economic impact in the food sector at all *e.g.* community gardens, and most estimates of the scope of the local food sector would disregard them. In some cases, producers selling locally through a farm/village shop or farmers' markets also sell directly to customers via mail order or the Internet. Sales routes to distant consumers, although direct, are not normally considered to be part of the local food sector, though they might well have some of the same impacts (see later). Village shops are likely to sell a range of goods sourced locally, regionally and nationally; multiple retailers may also sell local food. The boundary for the local food sector is currently difficult to determine with precision.

4.1 Typical characteristics of local food enterprises

The sheer diversity of enterprises in this sector (Table 4.1) makes it difficult to define the sector in terms of traditional indicators such as turnover. However it is clear that the majority of enterprises are micro-businesses. Respondents to our consultation were dominantly producer/growers (Appendix 2) and it would seem that it is this group who are driving the sector forward, as they diversify and seek to add value to their products. It was also clear from the responses to the consultation that the majority of enterprises currently making up the local food sector are relatively young (< 6 years old) at least in terms of operations within the sector. Longer periods of operation in the local food sector were found for enterprises in the food web studies (c. 8 years for enterprises supplying a farmers' markets in Hampshire and c. 30 years for enterprises supplying a farm shop in Suffolk; Appendix 6). We found some evidence on our regional visits (Appendix 4), which was not revealed so clearly in the responses to the consultation, of the survival of an older local food sector, which pre-dated the large increase in supermarket retailing and reflected a period when local shops were the main route for food purchase. These producers did not tend to be involved in farmers' market supply and were suspicious (or at least sceptical) about the new interest in local food, which they perceived might only be a trendy fad, which would soon blow over.

Table 4.1 Some of the enterprises responding to the consultation illustrating the diversity of the sector.

Initiative	**Product**	**Role**
Fish farm	Sturgeon, Caviar	Cardboard recycling, rehabilitation of ex drug addicts
Farm	Meat	Economic viability for farmer and family, land management, provides consumers with the choice of a traceable, local, sustainably produced product
Primary school kitchen	Nutritious balanced meal	Sourcing products locally – quality assurance for children. Belief in fresher, more environmentally sound system
Historic house	Locally produced food in teashop	Adds to tourist experience. Contribution to local economy, provides jobs for local people, maintains historical building
Farm	Organic Vegetables	Provides income for farmer and employees, supplies retailer on the high street ensuring that retailer can offer value to consumers
Farm shop	Meat, poultry, dairy products, vegetables	Diversification has enabled farmer to increase income, offers consumers fully traceable products and guarantees humane treatment of animals

Farmers' markets, farm shops and sales direct from the farm gate are the most common sales routes direct to the consumer for the enterprises responding to the consultation (Appendix 2; a similar pattern was seen in the food web studies Appendix 6). Local retailers are also a major route to market; it is unclear whether direct sales are the preferred route for these enterprises or whether direct sales have become the norm as result of the decline in local retail outlets. The respondents to the consultation are clearly characterised by a short chain from producer to consumer, with a dominance of direct sales.

Economic survival is a primary objective for many of the businesses in this sector. However, it is also clear that there is strong commitment to a range of social, educational, health promotion and environmental outcomes. The enterprises dominantly gave a mixture of economic and value-based drivers amongst their objectives (Appendix 2). Initiatives that are more clearly community-based also flourish in the local food sector; and a relatively high proportion of enterprises claimed to be social enterprises after referring to the government's definition (Appendix 2). On our regional visits we saw initiatives that tackled at least one, and often more, of the following objectives: increasing food access in deprived areas, racial integration, education, improving physical and mental health, developing the community, reintegration of the long term unemployed.

Many of the successful initiatives in the local food sector that we visited or talked to were driven by dynamic, energetic, individuals who are committed to the sector. The availability of a similar, but larger, pool of individuals, who will lead the further development of the sector may be a limiting factor to the expansion of the sector and may restrict the replicability of some of the approaches which we saw.

4.2 Relationships between local food enterprises

Relatively few respondents to the consultation indicated that their enterprises were co-operative or part of a collaboration (Appendix 2). This supports the finding of the FLAIR 2001 survey which showed that no more businesses in the local food sector were involved in any collaborative venture/co-operation than those operating outside the sector[28].

However, relationships between enterprises in the local food sector can be complex and interactive. As one example, we visited a wholesale family butcher and licensed cutting plant buying livestock from about 50 local farmers within a 30 mile radius. The animals went to a local slaughterhouse, and the carcasses returned to the premises. The wholesale business cut fresh meat, cured and smoked bacon and ham, prepared sausages and cooked meats and provided freezer packs. These products were supplied to about 70 independent butchers and 21 small shops. The business also cut carcasses for 20 farmers for them to retail through farmers' markets and other local retail outlets. This side of the business is expanding rapidly. In addition the family runs two butchers shops (one of them also a post office), which are also sourcing other foods such as eggs, vegetables, fruit juice, cakes and preserves from 24 local producers[29]. Similar though less complex relationships can be seen in the food web mapping which was done for this project (Appendix 6).

Links between businesses in the local food sector can take a long time to develop. Traditionally food businesses, particularly farmers, are very independent. Farmers' markets and the social contacts built up there may have a role in fostering such links (Appendix 6). There are a number of new formal groups at county and sub-county level, which seek to support links between businesses: many provide marketing support for members and there is also informal collaboration on other initiatives *e.g.* purchase of packaging, joint selling, distribution *etc* as a result. We heard about a farmers' network which has grown incrementally from relationships built at a local farmers' market. Initially the producers worked together to get shared access to a cutting room. They then worked together to develop joint silaging contracts which allowed them to get a better deal, and recently they have begun to operate a co-operative scheme by altering their calving patterns to create year round continuity of supply of meat for sale. It is clear that co-operation cannot be forced, it must grow slowly. However, there is a role for facilitators who can step in and create the awareness of possible links, businesses are often too busy staying afloat to see all their possible opportunities at an early stage.

4.3 Role of facilitating and enabling organisations

Because local food is perceived to deliver a wide range of objectives, the sector enjoys the support of many different and diverse non-government organisations and interest groups (Appendix 7). The interests of these organisations cut across many areas ranging from countryside and

---

[28] FLAIR survey of the Local Food Sector 2001.

[29] With additional detail from Cranbrook, C. Food Webs. A CPRE Report 1998, reissued (February 2002).

environmental concerns; interests in local distinctiveness and typicality; interests in new economic theory; encouragement of sustainable agriculture and food distribution practices; as well as promotion of healthy food choices to urban and rural communities. Some of these support organisations have goals that extend well beyond the production and distribution of food. However despite the diversity of these organisations, they tend to share the common belief that food production and distribution is in some way fundamental to a quality gain relating to an improvement in the social, economic and environmental health of the countryside and/or local community. As well as these organisations which operate at regional and national level there are also a plethora of small support organisations which are focused on work at a small scale, across the country. We have talked with many of these organisations either face to face, through workshops or during the regional visits. Unfortunately space in this report does not enable us to list them all, or detail the contribution that each is making to the local food sector in their area.

Local food link organisations provide support specifically to the range of small businesses in the local food sector. Groups across the UK taking this role are diverse in structure and in advisory/support roles provided to business. They have originated from a range of different local initiatives and structures are often reflective of their origins. Food link organisations act both as co-ordinators and initiators, and usually try to look from the perspective of both producer and consumer[30]. Whatever the context these groups seek to draw together all the relevant information and policy strands from national to regional and sub-regional level and make them available to the businesses and initiatives they are supporting. Such organisations are also involved in developmental work at regional level. Because of the cross-sectoral nature of local food activity, these groups have also facilitated and developed multi-stakeholder partnerships across the UK. However, while their funding sources are diverse, there is often a significant component of public funding involved.

One major role of local enabling groups is to create local food directories, organise food festivals and tourist trails. Around England there are now over 100 local food directories each listing local food businesses in the area. These are usually booklets listing where local produce is available locally, commonly direct from the producer but also via hotels, pubs, small shops *etc*. Many directories have been produced by or supported by local councils, and food festivals can be an important tourism promotion in many areas. As well as being useful to inform consumers, directories can provide a useful database for businesses, which allow them to develop closer links and collaborations. An evaluation of the Forest Food Directory showed that all businesses who had been listed had increased turnover; they estimated that the directory had lead to an extra £10,000–25,000 generated within the local economy at least partly as a result of the directory in its first year[31]. There are also a number of websites, which give access to local food producers/products at local and national scales *e.g.* www.farmshop.net; www.realproduce.co.uk, www.bigbarn.co.uk. Over 4000 independent

[30] Devon County Council. Local Food Links in the South West of England. (2002)
[31] Local Foodworks Briefing Paper. Local Food Directories. (June 2002).

producers are listed on sites like these, including meat, game, fish, fruit and vegetables, cheeses and dairy products, nursery plants and wood products.

4.4 Relationship of the local food sector with food sector as a whole

The local food sector is not isolated from the food sector of the UK, it has numerous interactions with it. There is interconnection and overlap throughout the whole food chain. Whether considering the national, regional or local food sector it is necessary to consider all scales, since all interact and depend on one another to some extent. Farmers operating in the local food sector may still use some more conventional routes to market *e.g.* one farm shop retailed about 20% of his beef and lamb production through the farm shop, the remainder passed through conventional chains to end up on supermarket shelves. Combinable crops remain difficult to bring to market in the local food sector due to lack of local and regional processing capability and so most such crops will be marketed through conventional chains. Food processors and manufacturers may need to source some ingredients outside the local food sector *e.g.* spices, citrus fruit. Regional and national food manufacturers will also often source a proportion of their ingredients locally. Where a wide definition of the activities that constitute local sourcing is taken it is possible to identify a number of local sourcing initiatives in place within large and small food manufacturers[32].

4.4.1 The impact of supermarket development on the local food sector

It is well known that the opening of a large foodstore in an area can have a large impact on town centre food retailers – drops of 13-50 % of market share have been measured[33]. Studies of the potential impact of new supermarkets on the rural hinterland are less common but those that do show the large negative impact that a change in food retailing patterns might have on the local food sector[34]. Farm shops are likewise affected: a farm shop visited by the Group recounted how their takings had been halved overnight when a large multiple retailer opened a few miles away.

Planning policy guidance notes (Appendix 1) can play an important role in moderating such impacts within the context of an overall local strategy. However, it is common for many parts of the local food sector to see multiple retailers both as competitors and a major threat to their survival and further development (Section 6.2.2). However, some stakeholders see that there is clear scope within the food market for both a flourishing local food sector and the supermarket sector, since both can readily establish different 'unique selling positions' (Section 6.2.1).

4.4.2 Supermarkets' current role in the retailing of local food

The essence of supermarket success is based on centralised purchasing of high volume items and, in general, the trend seems to be for major supermarket chains and food manufacturers to deal with fewer, larger suppliers to allow them to control and manage food quality and safety. Both of these factors would seem to militate against dealing with an expanded base of

---

[32] Business in the Community Local Sourcing. Growing Rural Business. Produced with the Institute of Grocery Distribution. (2002)
[33] The impact of large foodstores on market towns and district centres. DETR. (1998)
[34] Cranbrook, C. Food Webs. A CPRE Report 1998, reissued (February 2002).

smaller scale local producers in a fragmented regional/local purchasing policy. In an academic study of supply chains, it was noted that these and other trends in supplier management have usually resulted in supply networks becoming more efficient in stable market conditions at the cost of becoming more vulnerable to disruption[35]. However, due to customer demand (as outlined earlier) supermarkets are currently taking a range of approaches towards retailing local food. In general the supermarket approach to local sourcing is encapsulated in the description provided on the Tesco website:

> *"We source a large number of products from producers across the UK. We aim to stock locally produced food wherever it is available, of the right quality and where there is customer demand. All products, no matter what their origin, must meet the same high technical, quality and welfare standards in order to meet our customers' expectations."*

Products with clearly identified provenance are beginning to be included within the high quality, premium price sub-brands of multiple retailers (*e.g.* Sainbury's 'Taste the Difference', range which now sells full fat Guernsey milk, identified as being from the Lake District). Small producers are often very innovative and supermarkets have found that they are able to produce high quality products suited to marketing through premium ranges.

Regional level sourcing is more common than local sourcing and many supermarkets are implementing regional/local sourcing frameworks and putting managers for those initiatives in place on a region by region basis, or even taking local sourcing initiatives forward according to demand in individual stores. Such approaches are most established for Scotland and Wales, where produce is usually identified at a national level. However, local/regional sourcing is also increasing in importance within the SW and NW *e.g.* Asda's Taste of the Lakes initiative. There is often no blueprint approach applied even within one retail chain, let alone between them. In some cases local products are stocked just in one store, in other cases the offer might be made at a regional scale. Waitrose have developed several specific initiatives to enable them to work effectively with small, local and regional producers to offer customers the best quality goods. They have developed a "Locally Produced" label which can be used to highlight products which represent the finest locally produced food (produced within a 30 mile radius of the store). There are hundreds of lines within the range and Waitrose is keen to add more. However, such approaches clearly affect only a small number of products within the total supermarket offer.

Booth's, who operate a relatively small regionally based supermarket chain, have included a policy of sourcing locally and regionally wherever possible at the core of the whole marketing position of their chain. The policy is designed to support the "destinational" marketing of the supermarket as a whole by providing a reason (alongside promotion of quality, a strong wine and beer offer *etc*) why customers should chose to come into the supermarket in the first place. This contrasts with the approach taken by many other retailers who regard local/regional sourcing as providing choice within product types to customers inside the supermarket. Multiple retailers have adopted a

[35] Cranfield University School of Management. Supply Chain Vulnerability. An Executive Report on behalf of Department for Transport, Local Government and the Regions, Home Office and Department of Trade and Industry. (2002)

number of approaches to support producers as part of their local/regional sourcing initiatives; these are further outlined in Appendix 8.

5.0 Impacts of the local food sector

Broad claims are made for the benefits associated with the local food sector *e.g.* in stimulating the rural economy, increasing community cohesion, supporting healthy eating initiatives, linking rural and urban areas and reducing food miles. An understanding of the impacts of local food enterprises and initiatives and the combined impact of the sector as a whole is important to guide policy making. However, most of the studies carried out on the impact of local food projects are largely qualitative. Where quantitative data is available it is often focused on one particular aspect (*e.g.* changes in income, impacts on access to fruit and vegetables). Good baseline or control data has often not been collected, which makes the determination of any impact that can be attributed to the project difficult.

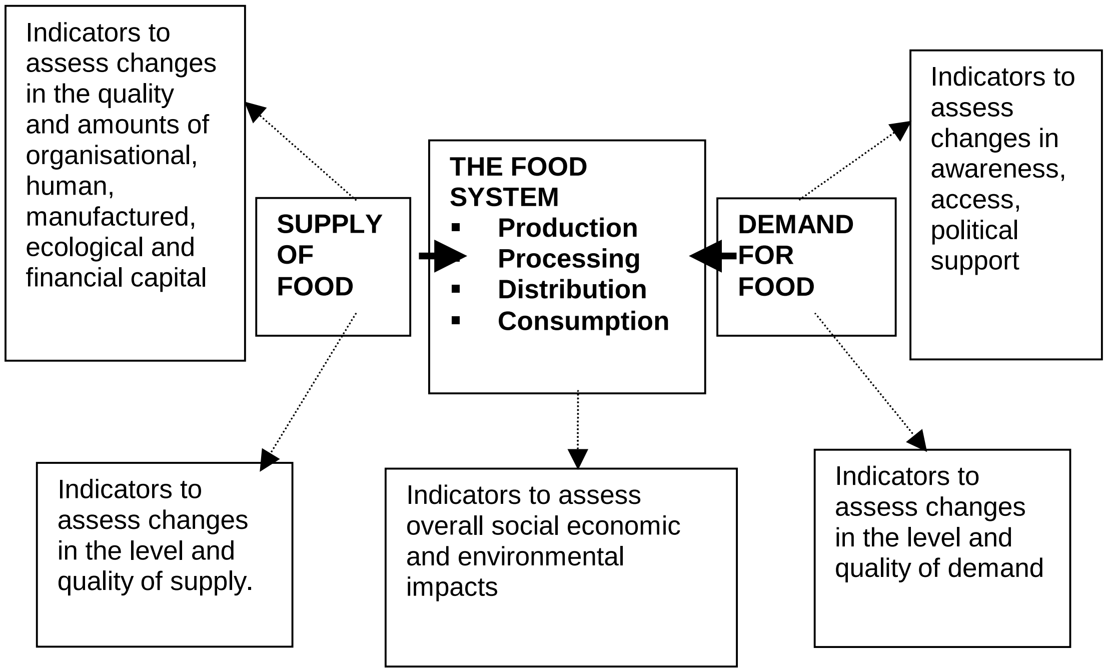
Even to do something apparently simple, such as to measure the economic impact on a farm business of an increasing interaction with the local food economy, with any of the recognised measuring techniques is problematic. Business activities are varied and numerous, thus cause and effect are difficult to separate at a macro level. For most businesses in that situation, the local food sector presents an additional market opportunity, in which their overall business is promoted, it is therefore difficult in real terms to determine the exact increase in sales due to *e.g.* trading at a farmers' market. All farmers might be able to indicate is that income has improved.

Another difficulty, highlighted by the outline of the sector presented above, is that local food systems are very different from one another; may be exceedingly complicated; and often seek to deliver multiple outcomes, which need to be considered together. Attempts have been made to highlight what kind of indicators need to be developed to evaluate the impact of local food initiatives[36] (Figure 5.1). However, more research is needed to identify the most effective ways of measuring the economic, social, health, education and environmental benefits of multidisciplinary and multi-faceted projects, such as those in the local food sector. The issue is of course complicated further if a wide range of other factors (*e.g.* impacts on access to markets for developing countries) need to be considered. Another key difficulty impending an assessment of the impact of the local food sector at regional or national levels is the currently small and fragmented nature of the sector, as discussed above.

In this report, we have tried to collate what published data is available on the economic, social, health, education and environmental benefits of the local food sector and components of it, alongside the evidence provided during the consultations.

[36] West Dorset Food and Land Trust. Evaluating the impact of Food Links Projects. Input to EU Interreg and DETR projects. (2001)

Figure 5.1 Proposed indicator types that would be necessary to access the impact of the local food sector



5.1 Economic

The reported economic impacts of the local food sector (Appendix 9) clearly support the limited research that has been carried out showing that for many farmers, whether they are livestock, dairy, fruit or vegetable producers, diversification into processing or retail has been critical to increase income and to enable business survival[37]. Similarly Community Supported Agriculture schemes do not generate large profits, but many ventures are started to guarantee business security since they ensure a fair wage to the producer in addition to production costs[38].

Farmers' markets provide an important income stream for farmers, particularly small farmers, which in some cases may be essential to keep the business going.

> *"I would have gone out of business last autumn had it not been for farmers' markets. I had no expertise, but using a local butcher, developed a range of pork products including sausages, bacon and cured hams as well as fresh pork."*[39]

For some businesses, not just farmers selling directly but also small processors and manufacturers, farmers' markets and local independent retailers (farm and village shops) have provided an initial market outlet, which has developed to become a new business or a longer-term marketing opportunity (see Case Study). It is not only farmers' markets that have promoted business development; any increased promotion of local food activities *e.g.* local food directories, tourist food trails, tend to stimulate the growth of existing enterprises and create new market opportunities for others.

---

[37] NFU. Farmers' Markets' Business Survey. (2000)
[38] Soil Association A Share in the Harvest. A feasibility study for community supported agriculture. (2001)
[39] NFU Farmers' Markets Business Survey. (2000)

CASE STUDY – London Farmers' Markets

London Farmers' Markets run 12 farmers markets in London (as at September 2002) and estimate that they bring £3 million pounds back to the rural economy each year. On top of this many farmers are now establishing links with restaurants and other food outlets in London selling to them directly. The markets provide the hub to make it viable to drive to London. Farmers can then sell at market and deliver to retailers. The company estimate that at least 50% of their farmers would not be in business if the London markets did not exist.

There is some indication that farm businesses involved in the local food sector employ a greater number of people on average than the conventional agricultural sector[40], however, it is not clear that the figures used can be strictly compared in this way. A survey of 70 small food businesses in the south west of England showed that 38% had created new jobs in the previous year giving an average increase of 0.5 FTE per business[41]. Consultees widely reported increasing employment (Appendix 2) as a result of business growth through trading in the local food sector.

A study of food webs in Suffolk found that nearly all food producers started on a small scale and were dependent both on local suppliers and a range of local outlets[42]. This was confirmed by data collected during our consultation (Section 4.1). The relationships between purchasing and supplying businesses locally are mutually beneficial and essential for all businesses (including small local wholesalers) and allow producers to gain business expertise and expand into wider markets, while local retailers maintain a diverse range of goods for sale. Speciality food producers are often based within rural areas and many are locally focused; a survey conducted in 1999 showed that 64% of companies sourced more than half their ingredients from the local region (estimated to be worth £1.3 billion in business for their local suppliers) and 45% sold more than half their goods in the local area[43]. Benefits accrued by one business in the chain therefore tend to be passed on to other local business. A limited amount of work has been done to study this "multiplier effect" *i.e.* the number of times a sum of money circulates in a defined economy before leaving it. A study in the UK showed that an organic box scheme had a multiplier of around 2.59 (compared to 1.4 for a supermarket)[44]. In Georgia it has been shown that for every dollar spent at farmers' markets 2.66 dollars are created for the local community[45]. The impact of the development/growth of local economies on the economy or employment at regional or national scales has not yet been studied widely.

---

40 Devon County Council. Local Food Links in the South West of England. (2002)
41 FLAIR Conference Report Local Food and Sustainable Development. Survey of food link businesses. (December 2000)
42 Cranbrook, C. Food Webs. A CPRE Report 1998, reissued (February 2002).
43 DTZ Pieza Consulting. UK Speciality Food and Drink 1999. Food From Britain. (November 1999).
44 Boyde T. Cusgarne Organics Local Money Flows. New Economics Foundation and The Countryside Agency. (2001)
45 cited in Friends of the Earth. The Economic Benefits of Farmers' Markets. (August 2000)

5.2 Social /community

Looking at a range of community–focused programmes (not just food), the Community Development Foundation concluded that socio-economic impacts including job creation, training, community development and capacity building are the most immediately apparent benefits.[46] Many community food projects exist, at least in part, for social reasons. Most seek to overcome isolation amongst people who are unemployed, ex-offenders, homeless, elderly etc. and to build confidence and community. It is clear from the responses to the consultation and the visits made by the Working Group (Appendix 10) that many local food projects and farmers' markets are making a significant contribution to community building/regeneration although they find it difficult to measure (see Case Study). City farms, community gardens and allotment projects have a particularly important role in urban areas.

CASE STUDY - Briardale Community Centre - Blyth Valley

This is an integrated project delivering a range of benefits to the community and centred on a local community food co-op. The project includes:

- community cafes
- community allotments: using abandoned plots to provide employment and training
- cook and eat sessions - creating a renewed interest in food for teenage parents, widowers, homeless young people
- training programmes - basic food hygiene and food safety
- community nutrition assistants
- farmers market - seen as a rural intervention into urban life
- rural/urban links - twinning arrangements; school-farm visits, Broadband links from school to farms (nature watch);
- revitalising uncared for gardens.

This project takes an holistic approach with projects driven by the local community itself and it plays a crucial part in the wider regeneration of Blyth Valley.

While in the south-west the potential market for local produce is found to be 50-70% of residents, the actual profile of shoppers at farmers markets shows that the customers are dominantly middle class, affluent, middle-aged women[47,48]; many are also tourists and day visitors to the area. In the south-east of England there was also no evidence that the socially-excluded were being attracted to make purchases at farmers markets – over 76% of consumers were ABC1[49]. However, US evidence shows that farmers' markets can be a success in both rich and poor communities, although it is more

[46] Chris Church and Jake Elster. Joseph Rowntree Foundation Report on work carried out by the Community Development Foundation. Thinking locally, acting nationally: lessons for policy from local action on sustainable development. (May 2002)
[47] f3 Foundation for local food initiatives. Shopping basket survey for South West Local Food Partnership. (March 2002)
[48] Scottish Food Advisory Committee Working Party Report. Farmers' markets in Scotland. (February 2002)
[49] Countryside Agency Report. Farmers' Markets in the south-east of England. (August 2001)

difficult for farmers' markets to establish in poorer areas.[50] Work in several locations across the UK has shown that farmers' markets can have a role in making locally grown fresh produce available and affordable to families on low incomes[51]. More needs to be done to assess how the benefits of farmers' markets can be made more accessible to all.

Consumers at farmers' markets have indicated that they particularly value the opportunity to be able to ask the producer directly about the foods that they were buying[52]. Shopping in the local food sector, whether at farm shops, farmers' markets or in small independent retailers seems to be a valued and enjoyable social experience (Appendix 3).

Evidence from town centre managers has indicated that farmers' markets help to increase the vitality and profile of town and village centres. Footfall research carried out by Stroud and Gloucestershire Farmers Markets showed that numbers of people in the town centre increased from 7,500 on a non-farmers' market day to 17,500 on days when the farmers' market was held. A survey carried out associated with Winchester farmers' market in 1999 showed that all local stores reported increased takings (up to 30%) while the farmers' market was in progress[53]. We would support the findings of a survey of rural development in New York State where it was found that:

> *"Though they are not an economic development panacea, farmers' markets should be considered an important component of a comprehensive local economic development strategy"*[54].

5.3 Health

Many community food projects exist, at least partly, to meet health objectives *e.g.* to increase people's access to and uptake of fresh produce and/or provide them with skills in growing, buying and cooking healthy food. Local food initiatives provide a means of promoting and enabling healthy eating especially to nutritionally at risk groups (Appendix 11). The use of local food is usually one strand amongst a range of approaches taken, and evaluation methods are not readily available that will allow links to be made between cause and effect. The particular added value brought to such initiatives by local food, rather than using any fruit and vegetables available, is less clear. There is beginning to be some evidence collected of the added benefits of using local producers, both for those producers (Appendix 11) and the uptake of the available fruit and vegetables, because of the social benefits perceived by the participants (discussed above).

Clearly grow-your-own and community garden projects directly connect growing and eating, such schemes also provide an opportunity for physical activity (see Case Study). Allotment programmes in Bradford have shown an increase in fruit and vegetable consumption amongst those participating[55].

It is difficult for many other local food initiatives to show this kind of benefit, even as a potential opportunity due to reduced prices. Shopping

---

[50] cited in Friends of the Earth.. The Economic Benefits of Farmers' Markets. (August 2000)
[51] cited in Friends of the Earth. The Economic Benefits of Farmers' Markets. (August 2000)
[52] Scottish Food Advisory Committee Working Party Report. Farmers' markets in Scotland. (February 2002)
[53] Friends of the Earth. The Economic Benefits of Farmers' Markets. (August 2000)
[54] cited in Friends of the Earth. The Economic Benefits of Farmers' Markets. (August 2000)
[55] Carlisle D. Great oaks from little acorns grow. Health Development Today, 4, 20-23. (2001)

basket surveys show the difficulty of direct comparison of prices in farmers' markets with supermarkets even for fresh produce. Vegetables, eggs and bacon produced in similar ways tended to be cheaper at farmers' markets[56]. However, baked goods, cheeses and preserves were more expensive at farmers' markets but the range available was completely different than in the supermarket, where mass production rather than home production was typical. Many local food enterprises are taking an active role in promoting healthy eating initiatives (Appendix 11) and local food outlets may have an important role in improving the awareness, availability and acceptability of a healthy diet.

CASE STUDY - Asian Healthy Community Network, Kirklees

The Asian Healthy Community Network has developed over a number of years as a result of practical and continuous partnerships between several local organisations and has drawn some support funding from a number of sources. Many Asians living in the Kirklees area were farmers in their native homelands and were looking for an outlet for their skills, as most now live in urban areas. There is also a substantially higher rate of certain illnesses in the Asian community e.g. diabetes, heart disease and gastric illnesses. This is believed to be dominantly diet related.

The Network has taken over some allotments on which they grow chillies, aubergines, peppers, spinach and coriander. Food is grown organically. The activity is seen as having numerous benefits; producing fresh quality products, gentle exercise, mental stimulation and building social and community links. Other activities have also grown, for example, the women ran a cooking demonstration for 1200 people. They have also catered for large numbers at a conference that required 'local food'. There is also a linked women's exercise class.

Recently, contacts were further developed with a local Asian wholesaler and there are currently a number of trial plots of 'alternative' crops being grown in the South Pennines. The farmer has given the Network a plot of land but it grows enough produce to be sold to a local wholesaler. It is seen as a partnership: "We give him technical help and he has given us a plot of land." At the moment they grow spinach, fenugreek and coriander on the farm but they plan to grow sag (black mustard), chickpeas, peppers, aubergines and chillies. In part the aim of this was to get people out so that, "they could do a little bit of farming, like at home", but it is also a pilot for a wider scale adoption of such crops in the area, close to market demand.

5.4 Education/training

Local food projects provide a range of opportunities for formal and informal training and work experience (Appendix 12). Some teachers have successfully integrated food (growing, cooking, eating) into the curriculum (see Case Study). A significant proportion of farm shops and farmers' markets have also established links with schools; city farms have a long established role in this area. Many within the local food sector also feel that they have an

[56] f3 Foundation for local food initiatives. Shopping basket survey for South West Local Food Partnership. (March 2002)

important role in increasing consumer awareness about food production and rural issues.

CASE STUDY - St Peter's Church of England School, East Bridgford.
Local food plays a part in the school's curriculum in a number of ways. The school has opted out of the Nottinghamshire LEA contract and has its own procurement policy for school dinners which is focused on sourcing organic and local produce. Jeanette Orrey is in charge of catering at the school. She focused on local food in response to the BSE crisis. She wanted to put beef back on the menu and could only do that by being able to fully trace all the food. As much of the meat, fruit and vegetables as possible comes from the surrounding area. The vegetables come from a local farm of 4,000 acres, which has set aside part of its acreage to developing local markets. Meals cost £1.60 each, the same price as Nottingham LEA charge. The school incorporates healthy eating into the curriculum. Parents are also encouraged to come in regularly to have lunch at a cost of £2.00 and as part of the citizenship curriculum, older people come in once a week to have lunch with the children. Crucial to the success of this operation was the commitment, drive and determination of Jeannette Orrey and the school's headmaster.

5.5 Environmental

Research has shown that the majority of farmers who were selling at farmers' markets sought to use more environmentally friendly farming systems[57,58] with a relatively large proportion operating within environmental stewardship schemes or farming organically. Responses from the consultation also showed that farmers in the local food sector were likely to be part of an environmental land management scheme or seeking to maintain traditional breeds (Appendix 13, see Case Study). The development of markets for extensively grazed livestock can be essential to enable farmers to maintain land of high landscape and wildlife benefit, which would otherwise be uneconomic. Research in France has also shown that more farmers selling directly than those marketing conventionally were actively engaged in environmentally friendly farming practices with reduced levels of agro-chemical inputs, use of traditional breeds and some increased conservation management[59].

The majority of community food projects, particularly those associated with city farms and community gardens usually seek to address green waste recycling issues as part of the project (Appendix 13). Where possible, community composting projects link up with food production or gardening projects so that the compost can be put to use.

[57] Countryside Agency Report. Farmers' Markets in the south-east of England. (August 2001)
[58] FLAIR Conference Report. Local Food and Sustainable Development. Survey of food link businesses. (December 2000)
[59] Gilg A. W and Battershill M.To what extent can direct selling of farm produce offer a more environmentally friendly type of farming? Some evidence from France. Journal of Environmental Management 60 195-214. (2000)

CASE STUDY - Eric Moss, Botany Farm, Saxmundham

Eric purchased Botany Farm (200 acres) 13 years ago. The farm now comprises some 600 acres, predominantly coastal marsh grassland, which is designated as an Environmentally Sensitive Area.
Eric has bred his own herd of Red Poll cattle, which are the indigenous breed of Suffolk. The breed is ideally suited for grazing the fragile habitat of the marshes, as they are relatively small. In addition, the high quality beef from the breed has enabled Eric to successfully develop a locally-based market for the meat. The establishment of a demand for the meat has meant that there are good economic reasons for Eric to continue to farm the coastal marshes in this way, which in turn delivers the environmental benefit of helping to preserve the landscape.
Most sales over the last three years have been directly to the public through farmers' markets. As Eric increases the herd size he is looking to increase the sales base. Plans include on-farm cutting, supplying local restaurants and pubs as well as collaboration with other Red Poll breeders to supply larger markets. The Red Poll Development Society is planning to form a co-operative that will have its own cutting plant and marketing facilities. The Society has also applied to identify the meat from the breed as a Traditional Speciality Guaranteed product under the EU protection scheme. Protection in this way can be another way of earning a premium on the meat.

Food miles are now a readily recognised concept and a useful shorthand term for the energy costs associated with food production and transport. The UK food chain is responsible for around 22% of the UK's greenhouse gas emissions [60]. While the highest energy costs are associated with air-freighting of food [61], there is no doubt that even within the UK, transport of food has a significant environmental impact[62]. It has been clearly shown that in primary distribution inter-regional transport has higher energy costs than intra-regional distribution[63]. Most primary distributors (packhouse/wholesalers) currently use a balance of these different supply methods to ensure constant supply to customers[64].

Any increase in business in a rural area is bound to impact on the environment particularly as a result of increased vehicle traffic, this can be minimised by local distribution of products. However, there has been little research and development into the most effective systems for local and regional distribution; in contrast with national and global distribution systems. A survey of local food webs in Suffolk[65] showed that in most cases there are only short distances between points of production, processing and sale for many goods sold through local shops. Local delivery vehicles do travel

[60] e3 Consulting Achieving the UK's climate change commitments- the efficiency of the food cycle. (2002)
[61] Sustain Eating Oil (2001)
[62] Bioregional Development Group The Feasibility of Local Sustainable Food Sourcing by Supermarkets. A report for the Countryside Agency. (2000)
[63] Sustain Eating Oil (2001)
[64] Jones J A, The environmental impact of distributing consumer goods: a case study on dessert apples. PhD thesis University of Surrey. Guildford. (1999)
[65] Cranbrook, C. Food Webs. A CPRE Report 1998, reissued (February 2002).

extensively in the region, but may be more suited to the network of rural roads. Although instinctively, local food would seem to require less energy for distribution, the picture is complex and there are few studies, which allow food distribution systems to be compared at the level of the complete food web; Transport 2000 have some on-going work in this area.

6.0 Development of the local food sector

6.1 For individual enterprises

6.1.1 Potential

When questioned on their view of the short term future, most enterprises were positive about their prospects. The vast majority saw an increase in their turnover, profits and number of employees (Appendix 2). The reasons cited by enterprises for their positive view of the future indicate that this optimistic outlook is grounded in the strong market demand for local food perceived directly by the enterprises and the businesses own growth to date (Appendix 6). Enterprises identified three main areas for which would drive potential market growth and opportunity for their business:

- *Growing public support/awareness*

The public interest in local food is often latent. However many enterprises suggested, that once awakened, the general public are extremely receptive to the opportunities presented by the local food sector. Some people involved in the local food sector felt that government should promote the benefits of local food more actively in order to develop the sector.

- *Public procurement*

The need for the public sector to be more flexible in terms of public procurement policies was identified as an issue by many enterprises. It was felt that a more creative approach to public procurement could lead to a successful marriage between local food producers and public institutions such as hospitals, schools and prisons. In particular the ‘National School Fruit Scheme’ was cited as a possible opportunity, which local producers could meet.

- *Supermarkets*

Some enterprises felt that there was huge potential for growth in the local food sector through the supermarket network. Local sourcing can be mutually satisfactory for supermarkets who meet a market demand and for producers who are provided with the certainty of growth. However, this will only work for some products that are distinct, do not duplicate an existing offer and meet the need of an individual store or group of stores. Supermarkets will work hard together with suppliers and invest significant time and cost in doing so, but it is clearly not in a supermarket’s interest to enthuse a producer to develop products that won’t sell (in the way that they sell). Supermarkets do make significant demands on suppliers to comply with their high standards but deny that they want to strong-arm suppliers. However, enterprises with fruitful relationships with supermarkets stated that retaining control was crucial to success. Other enterprises cited the difficulties than can be caused in a business by over-dependence on one retail route, *e.g.* supermarkets, or as a result of a change in requirements or specification.

Often one supermarket will provide a point of entry for a small producer either at a single store or regional level. For some products this business development can lead to expansion to national scale within that supermarket or business expansion to supply into a number of supermarkets. However, there are also producers who are satisfied with only supplying to a few stores and producers who have products, which sell well in one region, but don't expand further successfully.

6.1.2 Barriers

A number of barriers were identified by enterprises during the consultation (Appendix 2) and during visits and meetings (Appendix 4). Many enterprises felt that unless these factors were addressed then they could lead to the collapse of the sector as a whole. The principal barriers identified were:

- *Finance*

Several difficulties were identified. Many enterprises stated that banks were not sufficiently responsive or understanding of the needs of local entrepreneurs. The difficulties of accessing grant funds was noted by enterprises. This situation is exacerbated since funding cannot be applied for retrospectively and, if an enterprise waits for funding, which may not be received, then they could miss a competitive advantage.

- *Lack of infrastructure*

The erosion of the infrastructure that used to support the local food market was identified as a key barrier. In particular, the closure of local abattoirs, due to increasing legislation, was highlighted as a key concern. Enterprises noted that the local food chain is extremely fragile and there are many gaps. The disappearance of small independent retailers was felt to represent a significant threat to local food enterprises as there are increasingly fewer outlets for their produce.

- *Barriers to entry*

Factors such as high set up costs, with low availability of capital loans, and a declining distribution network act as a deterrent for new entrants in many parts of this sector. Some successful enterprises noted that if they had to start over in the current climate they would be prohibited because by the mounting barriers to entry.

- *Legislation*

Regulations were felt to have a disproportionately high impact on businesses in the local food sector, which tend to be small/micro businesses. Much legislation is felt to be impractical, inappropriate, and unduly expensive to implement, particularly in the meat sector. Regulatory impact assessments don't often seem to take very small businesses into account. Additionally EU regulations were perceived to be applied more stringently in the UK than elsewhere in Europe.

- *Bureaucracy*

Enterprises often identified planning applications as one area, which had limited the scope and speed of diversification of their business. They also noted that record-keeping was both time consuming and often duplicated.

- *Advice and guidance*

Some claimed that there was a lack of an appropriate ‘one stop shop’ where producers could access best practice ideas and relevant advice. Training was also noted as a barrier, not only a lack of accessible training, but more importantly businesses felt that they could not always spare the time or cost.

- *Lack of public support/awareness*

Enterprises felt that they were unfairly disadvantaged by supermarkets because they were unable to exert the same influence over consumers as supermarkets due to a lack of resources. It was suggested that the public doesn’t understand the ‘real’ cost of food because supermarkets have kept prices artificially low through the use of cheap imports and the occasional use of predatory pricing strategies. Producers also claimed that there is not enough support for British products. This situation is exacerbated by ‘misleading' packaging. A recurrent example was that of a product carrying a label suggesting that the product was made in Britain when in reality it was only packaged in Britain.

- *Difficult to enter supply chains of multiple retailers*

Supply to multiple retailers can cause significant difficulties for the small producers of local foods, particularly as a component of an own-brand. Few suppliers initially understand the processes associated with supplying the multiple retailers and how they differ from other sales routes. The requirements of the supermarket will be enforced back to source. This will probably lead to a need for changes by producers with regard to labelling, trading standards, health and safety, approaches to meeting terms and conditions (delivery, supply, and invoicing). Small producers also tend to be entrepreneurial and product-focused (obsessed). They may well need to be to succeed in the local food sector. However, these characteristics can make supplying into a supermarket environment, where you have less absolute control over the product more difficult. Most small producers also need business advice to help them develop an understanding of marketing, to identify their unique selling position and target markets and understand them. Small businesses also often lack skills and understanding of long-term business planning and product development, which can be a major handicap even in the medium–term.

6.2 For the sector as a whole

6.2.1 Potential

Respondees to the consultations believe that the local food sector in the future could have an important role in creating a thriving rural economy, supporting rural and urban communities, tackling health and economic inequalities within the UK, enhancing the environment, promoting healthy eating and enabling sustainability (Appendix 14). Significant consumer benefits are predicted by the consultees and consumer research indicates that there is significant interest in increased access to local food[66].

However, there are potentially conflicting views of how the local food sector might develop in practice. At the extremes this is a contrast between a sector, which delivers ‘added value’ and speciality foods to a niche market, and a sector, which enables all communities to access fresh, local food and support their local economy (Appendix 14). This dichotomy underlies many of the tensions that were sensed/seen between current approaches to develop the local food sector. Some initiatives are focused only on business and market development for small food producers and seek to link enterprises with supermarket buyers. Other initiatives are focused more broadly and seek to link a range of local food enterprises and initiatives at a local level to maximise the economic, social, environmental and health benefits; local food enterprises are encouraged to develop their own appropriate marketing strategy whether though farmers markets, village shops, farm shops or larger retailers. There is recognition, however, that both visions and approaches can have a role in enabling the local food sector to attain its potential, but that there is a need for increased understanding and communication between stakeholders with apparently conflicting agendas. There are clear overlaps between the local food sector (food with local provenance sold locally) and the regional food sector (food with local provenance sold at regional, national or even international scales). This synergy needs to be developed but without devaluing the role that the local food sector can play in other areas *e.g.* in supporting social and local regeneration benefits.

Most consumers would like local food to penetrate supermarkets to some extent so long as it is genuine and credible, really helps local providers, delivers really fresh food; supermarkets sales of local food should complement rather than supplant farmers’ markets and other differentiated sources[67]. Supermarkets themselves see barriers to increasing the amount of local sourcing in place:

- Limited customer interest
- Lack of a clear premium that can be extracted from local products
- Quality of the products – can they guarantee value?
- Supply - particularly the logistics of dealing with many smaller producers where economies of scale cannot be achieved.
- Lack of support among producers

One retailer suggested that supermarkets were unlikely to provide the best marketing route for local food, instead local food should be a different (and complementary) offering sold through a separate infrastructure, which can then be adapted to deal with the particularities of local supply and delivery. However, there is presently a lack of logistical support to allow local selling and this may currently be the biggest barrier to the growth of the sector. It was widely agreed that local and regional markets, outside the supermarkets, are an important nursery for small food producers, some of

[66] Local Food: Qualitative Research carried out for the FSA (March 2003)
[67] Local Food: Qualitative Research carried out for the FSA (March 2003)

whom may well come through to supply products for national and international markets

Farmers' markets are seen to have a continuing and important role, which should be supported, both to give a relatively simple route of entry to the market for producers and to meet the needs of some consumers. However, farmers' markets organisers perceive that the lack of producers and a restricted diversity of produce at a local level may limit the further development of some farmers' markets. There are also seen to be opportunities to increase the distribution of local food through the independent retail sector – farm shops have a particular role in creating a direct link between consumers, producers and the farmed landscape. Increasing the links between different parts of the local food sector particularly linking community–led projects and schools with local food producers is felt to have synergistic economic, social and educational benefits. Local food also has a potential role in supporting tourism through the development of further links with the hospitality industry. Local food might also take a significant role in supplying the requirements of the public sector, particularly for fresh produce and meat, in the medium to long-term.

6.2.2 Barriers

Respondees to the consultations believe that the current structure of the food and drink sector is a major barrier to the development of the local food sector (Appendix 15). The concentration of food retailing within the multiple retailers and the decline in local retailers in both rural and urban areas has reduced market opportunities for small producers and has led to changes in consumer shopping habits. A lack of consumer interest was also identified as a barrier to the development of the local food sector (Appendix 15). Research identified the key steps that would overcome the barriers that consumers perceived as restricting their purchase of local food – better penetration of local food into local shops; more farmers' markets open, more often; access to local food outlets in the evening; and, new routes of supply tailored to give consumer convenience[68]. Stakeholders also felt that a local food 'brand' or 'assurance scheme' might help support improved marketing to consumers

To date the local food sector has been rather fragmented, with success stories emerging from the work of strong individual entrepreneurs or, less often, good partnerships within local food businesses or not-for-profit enterprises. Co-ordination of what is going on is difficult because of the range of divergent approaches and objectives, one stakeholder observed that:

> *"It is just so logistically, strategically and intellectually complex to bring all the strands together".*

The sector is beginning to build on the communication networks that already exist to allow the sharing of good practice and assist collaborative working (Section 4.3). at national and/or regional level. However, there is perceived to be a lack of support to enable networking at a local level, which leads to lost opportunities to develop the local food sector in a particular area (Appendix 15). The fragmentation of the sector also means that there is currently a lack

[68] Local Food: Qualitative Research carried out for the FSA. (March 2003)

of appropriate structures above producer level to support the processing, distribution and marketing of local products, whether speciality or commodity. Research is needed to underpin the development of the most effective structures, otherwise it is likely that piecemeal solutions will lead to increased fragmentation rather than improved co-ordination within the sector.

There is some concern that the development of the local food sector may be restricted due to a lack of enthusiasm and commitment to local food among the majority of producers, processors, consumers and policy makers (Appendix 15). Not getting the right people in the right places could be a major limiting factor.

Research by the Community Development Foundation concluded that a lack of funding guidance and support is an important barrier to the growth of local projects to promote sustainable development[69]. Respondees to the consultation had particular concerns about the current grant funding systems available to the local food sector (Appendix 15) which tend to support this conclusion. Research for the Joseph Rowntree Foundation[70] identified that food projects need to go through three stages of evolution (establishment, consolidation and adaptation) to be successful. One stakeholder suggested that short-term funding leads to the need to move into an adapting stage before the project has become effectively consolidated, so that more projects than necessary do not continue into the medium-long term. There is a widespread concern that grants don’t reach the grassroots in this sector. Research has indicated that changes to funding mechanisms and support structures may well be needed, if they are to promote development of the sector[71].

Consultees widely felt that there was a need for more supportive policy frameworks; currently a number of policies (or the presentation of them) were felt to form a significant barrier to the development of the local food sector (Appendix 15). There needs to be a greater recognition of the value of community-focused local action.[72] Regulatory frameworks were also felt to be strongly influenced by large producers with little account taken of the impact on small producers.

7.0 Key issues

- There are few strategies or frameworks within which local food is explicitly mentioned in public policy at national or regional level. However, projects in the local food sector have successfully gained public funding for their work towards objectives such as neighbourhood renewal, improved diet and promotion of healthy eating, support for the rural economy, urban/rural linkages *etc.*

---

[69] Chris Church and Jake Elster. Joseph Rowntree Foundation Report on work carried out by the Community Development Foundation. Thinking locally, acting nationally: lessons for policy from local action on sustainable development. (May 2002)
[70] Food Projects and how they work. Joseph Rowntree Foundation Report (1999)
[71] Chris Church and Jake Elster. Joseph Rowntree Foundation Report on work carried out by the Community Development Foundation. Thinking locally, acting nationally: lessons for policy from local action on sustainable development. (May 2002)
[72] Chris Church and Jake Elster. Joseph Rowntree Foundation Report on work carried out by the Community Development Foundation. Thinking locally, acting nationally: lessons for policy from local action on sustainable development. (May 2002)

- The public sector at local level, particularly primary care trusts and local authorities, have a key role in the local food sector. There is already a wide range of initiatives in place. However, there is a need to share best practice more effectively and enable all areas to develop strategic approaches to addressing food issues and, where appropriate, to adopt common practices/frameworks.
- There is no clear definition of local food – the most widely accepted definition currently is that used by farmers' markets to identify producers who are entitled to sell there. This can be summarised as: food produced, processed, traded and sold within a defined geographic radius, often 30 miles. However, there are wide perceptions that local food might deliver a wide range of value-based expectations, which are not captured by such a definition.
- There is a strong consumer interest in local food and in the alternative shopping experience offered by the local food sector, though as yet this has had little impact on practice. Consumers have a wide range of expectations of local food and include amongst these the role of the local food sector in delivering social, health and environmental benefits in addition to food.
- There is some agreement amongst stakeholders that a clear and enforceable definition of local food would be of value to improve public understanding (and support the develop of accreditation schemes if appropriate), to maintain or raise standards within the sector and to determine the eligibility of projects for public support. However, it is clear that the process of developing a widely accepted definition would be a much contested one.
- The scope of the local food sector as it is currently operating can not easily be pinned down. The sector is complex and a large number of interactions take place both between local food enterprises and with the regional and national food and drink sector. However, the sector is currently characterised by micro-businesses, most of them farmer/growers, who are seeking to add value to their products and who dominantly use direct and very short chain marketing to consumers.
- The fit between local production and local consumption varies considerably between different geographical areas and regions. Understanding the nature and potential of local food production, processing, distribution and consumption is crucial to understanding the scope for local food in different areas.
- Many of the successful initiatives in the local food sector are driven by dynamic, energetic individuals, sometimes volunteers, who are committed to the sector. The availability of a similar, but larger, pool of individuals who will lead further development in the sector may be a major limiting factor in its expansion.
- There are a number of organisations and individuals, who facilitate links between enterprises at a local scale, provide conduits for the sharing of best practice and enable co-ordination at regional and national levels. These play a central role in the sector currently and are essential for its further development. However, many feel that their work is constrained by short-term funding streams.

- It is not clear that the breadth of benefits claimed for local food sector can actually be substantiated by evidence at present. However, there is a need to develop more effective ways to measure the multiple and interacting impacts of most local food projects.
- There is good evidence of the positive impact of trading in the local food sector for small food producers, particularly small farmers who have diversified in this way. There is some evidence of a cumulative effect which stimulates the rural economy (and less so the urban economy).
- Food provides a good focus for community projects – there is good evidence of increased community building around local food experiences whether shopping (farmers' markets, revitalised village shops, food co-ops), growing (community gardens, allotments) or simply eating (community cafés). Food can also provide a good focus around which curriculum activities might be built and whole school food strategies have been shown to deliver education, health and social benefits.
- The role for local food within projects, which seek to promote improved diet and healthy eating, is less clear. However, there is some evidence that where an integrated strategy can be put in place, the use of local food is more likely to build a local food culture in which dietary changes will persist.
- There is little current evidence about the impact of local food systems on food miles and CO_2 emissions, and because of the complexity of the food chains that have been compared the available evidence is not conclusive. More work is needed in this area, particularly to identify the factors which would lead to reduced CO2 emissions across a range of food chains and approaches to distribution.
- Local food enterprises are mostly micro-businesses and hence share many of the barriers and difficulties common to such businesses, no matter what sector they are operating in. There are wide perceptions of inappropriate regulation, difficulties with paperwork and a lack of time and resources for business development or training.
- The local food sector currently lacks the diversity of supply and infrastructure at an appropriate scale to support a large expansion in the processing, distribution and marketing of local food.
- The local food sector is perceived by a wide range of stakeholders to have a wide potential to grow, develop and deliver a wide range of private and public benefits.
- Visions of the role of the local food sector in the future are characterised more by divergence than agreement:

a market-led sector delivering economic benefits	vs	a community-led sector with social and health benefits
a sector which offers a viable alternative to the multiple retailers	vs	a sector which provides a stepping stone to larger national and international markets
a market which provides all types of food to all	vs	a niche sector delivering added value specialist foods

However, there is no reason why these tensions cannot be held together, if the local food sector is able to develop further.