

Rural Development Sub-Committee

RDC(3)-06-09 Paper 3: 6 May 2009



YR YMDDIRIEDOLAETH GENEDLAETHOL CYMRU
THE NATIONAL TRUST WALES

Rural Development Sub-Committee Inquiry into the Production and Promotion of Welsh Food- Marketing, Promotion and Labelling

Evidence from the National Trust Wales

May 2009

1. Introduction

The National Trust welcomes the opportunity to respond to this consultation. The Trust owns 50,000 ha of land in Wales which it manages for the benefit of the nation. A majority of this land is farmed, either by the Trust or by our 220+ tenants. The Trust is also Europe's largest conservation organisation, managing natural and historic heritage for conservation and public access.

Food matters to the National Trust- we're involved at every stage of the food chain, from growing and farming produce, to cooking, eating and selling meals. The Trust's farmed land is used by us and our tenant farmers to produce everything from milk to vegetables to venison. We also care for historic kitchen gardens, growing unique heritage varieties of fruit and vegetables. We run a large catering business of tea rooms, cafes and restaurants as well as a small number of farm shops. Increasingly we are working to promote the story of food and where it comes from to our supporters.

2. The National Trust's vision for sustainable food

The National Trust focuses on promoting seasonal and local food as the foundation of a sustainable diet. This is food which:

connects us with how and where food is grown

is traceable

supports rural and local communities

promotes healthy eating

celebrates the seasons

reduces greenhouse gas emissions caused by transport of food and so helps to prevent climate change

celebrates local distinctiveness

is more likely to be produced on sustainably managed land

In our view, any Government activity to support the marketing and promotion of food should encourage sustainable production and help develop a food system founded on these principles.

3. - Challenges facing the agri-food sector

The fundamental challenge for the Government is to define a sustainable food system - one which is more resilient, efficient and low-impact, fit for the decades ahead. This should drive a coherent set of policies for food and agriculture. In relation to marketing and promotion, there are three components of this challenge:

A - Price or Value: A sustainable food system can only be successful if consumers prepared to buy quality products and understand the different options available. Food prices do not currently reflect the true cost of a product and the drive for low prices does not favour quality produce. Our research shows that local food is perceived to be more expensive and that this is a major barrier to buying it. But if consumers understand the value of such products they are more prepared to pay. As the era of cheap plentiful food comes to an end consumers will need to pay prices which reflect the true costs of producing food, but this will have to be balanced by the need to ensure a healthy sustainable diet is affordable for all.

Price can be a factor in encouraging people to eat seasonally as fruit and vegetables in season are usually cheaper. This has additional sustainability benefits as seasonal produce requires less energy to promote growth and for storage.

B - Supply chains: Both farms run directly by the Trust in Wales produce quality organic meat for which there is a demonstrable local demand. However, efforts to sell locally and maximise sustainability of the supply chain are limited by the lack of adequate local facilities. The lack of abattoirs local to the farm at Llanerchaeron makes it very logistically difficult for meat to be butchered, hung and cured locally. Beef and lamb from Hafod y Llan has to travel a 78 mile round trip to the abattoir. Existing abattoirs are working to capacity due to the

closure of so many facilities in recent years. Slaughterhouse costs are high due to inspection charges and SRM removal, and the unit cost is higher for premises with a low throughput. Similarly, a lack of outlets for local produce and the market dominance of large multiples limits the ability to buy and sell locally.

The Trust's food policy means that we endeavour to use local products as far as possible in our catering outlets. However, food from small local producers can be more costly. Where we have identified a local quality product to use in our restaurants, the lack of product supply chain means a great deal of effort is required to coordinate the supply. Whilst we benefit from direct links with our tenants, these producers are not necessarily located near to our major catering outlets.

C - Consumer understanding: It is currently difficult to buy food from a known origin with confidence that it has been produced sustainably and fairly. There is also confusion amongst the general public with the plethora of categorisations of food and messages about their varying -sometimes contradictory- benefits. Local producers need to identify systems to communicate the quality and value of their produce through clear labelling, relevant quality standards and membership of local or regional food projects. A renewed food culture will depend on consumers and chefs understanding and trusting the provenance and sustainability of the food they buy. The need for accurate information should be met in a way which avoids overwhelming or confusing consumers.

There is a particular challenge in the food service sector where it is not always possible to distinguish the origin or sustainability of products on offer. This sector has not been targeted by Government initiatives to the same extent as other parts of the food system.

4 - Marketing and promotion opportunities for the agri-food sector

A - Sustainable Land Management: Sustainable land management seeks to maximise a range of benefits across an area of land including food and other goods and services which do not necessarily have a market value- biodiversity, clean water, protection from flooding. Producers adopting this approach have the advantage of being able to market a quality, sustainable product and should be rewarded by the market and Government policy. A number of initiatives already market Welsh produce based on their environmental credentials and secure a premium price.

B - Demand for local seasonal produce: In 2006, 65% of shoppers bought local whilst a further 9% would have liked to if it were available. This is compared with 61% buying local in 2005. Around three quarters of shoppers (74%) buy local foods or would like to buy in the future, up from 70% in 2005. There is clear evidence that local foods are becoming an important part of the strategies of mainstream grocery retailers, and increasingly foodservice wholesalers and operators. Shoppers are now more concerned about how food is produced -on the farm and in the factory- than they were in 2005. In 2007 only 14% of shoppers had no concerns and claimed to be happy with how the food they buy has been produced; this has decreased from 18% in 2005. These trends are also reflected in the sourcing priorities of public and private sector bodies. Research also shows that local foods with a good reputation and national recognition -e.g. Melton Mowbray Pork Pies- can extend their sales throughout the UK by highlighting the benefits of heritage and quality.

C - Food culture: The renewed interest in food stimulated by community champions, celebrity chefs and experts is starting to revive the UK's food culture. But this is not yet mainstreamed, nor is the interest matched by people's ability to grow and cook their own food. There is real potential to develop skills to support a food culture and improve the connection between consumers and the sources of the produce they eat.

5 - Effectiveness of Government policies and initiatives

There are numerous Government strategies, policies and initiatives relating to the food supply system. This makes it difficult to take an overview or identify a clear direction of travel. The current approach is piecemeal and fragmented, with different policies not always working together. For example, the various elements of the Rural Development Programme work in isolation and the programmes are not well integrated. The Government's work to develop a strategic approach to Quality of Food neglects the sustainability of food despite the numerous environmental impacts of food production.

There has been limited evaluation of the effectiveness of these initiatives, and a lack of monitoring of their success. It is therefore difficult to evaluate the success of particular policies. However, our experience of particular initiatives demonstrates some success in supporting particular projects.

There is a need for a clear strategy for the agri-food sector which clearly identifies what a sustainable diet is and how Wales will feed it.

A - Supply Chain Efficiencies: The National Trust received grant funding for a feasibility study into marketing meat as part of the Pembrokeshire Heaths project. This project began as an initiative to improve management of heathland to improve habitat quality and public access through conservation grazing. The feasibility study looked at whether there would be a market for beef marketed in relation to this conservation work, and whether a sustainable business could be developed on this basis. The study identified demand for such local, quality beef.

The project is now being developed with the intention of establishing a heathland beef brand which will support continued conservation of the heaths. Linking land management to a product in this way makes it possible for sustainable land management to be financially viable in the long term.

B - Agrisgôp: This initiative helped bring together tenants on the Trust-owned Dolaucothi estate to look at how they could market their produce. Facilitated discussion and a small grant helped establish a cooperative which now sells quality lamb through Dunbia (Llanybydder) to Sainsbury's. Dolaucothi lamb won the True Taste of Wales Award under the partnership category for achieving distinction in the quality of the produce. It was also the first recipient of the National Trust's Fine Farm Produce Award which is branded

on the produce and is available for their marketing purposes. The lamb meets RSPCA Freedom Foods and all farms are also required to meet the Trust's Environmental Farm Standard.

C - Rural Retail: A Trust tenant on the Colby Estate, Pembrokeshire has established a thriving farm shop. An old farm building was renovated and converted for use as a shop with funding from the National Trust, Tir Gofal and the Rural Retail Programme. The shop provides an outlet for the farm's produce and other local producers as well as a village shop for the local community. The shop also attracts visitors and contributes to the local tourist economy.

6 - Good practice in Wales

A - Quality and traceability in the food service sector: Since 2005 The National Trust has been implementing a Food Policy which promotes use of traceable, sustainable and local food in our retail and catering outlets. This has helped develop local supply chains, and markets for quality, sustainable products. A crucial element of this work is to engage our supporters in the issues and encourage them to buy sustainable local produce.

To help develop local food economies we aim to source local seasonal produce, which has been produced and prepared to high standards and inform our staff, tenant farmers, members, wider public and visitors of the benefits of local food. Implementation of the food sourcing policy in our restaurants to date has indicated that catering operating contribution does not suffer and indeed can be improved as a result. We've found that our customers love hearing the story behind the food that they're eating and they want us to do more.

B - Improving local supply chains: We've often found it hard to get consistent supplies to meet the needs of our catering. In many places there are weak links between local producers and suppliers, so we don't know where the food has come from. We've found that local food isn't always produced to the standards that we expect. In order to implement our food policy we've also had to work closely with some of our major suppliers so they understand our priorities and are able to provide food which meets our standards.

C - Engaging supporters: "The National Trust's food policy aims to help consumers understand and appreciate the benefits of local sustainable food. We aim to inspire people to eat local and seasonal food at our properties and at home. We want consumers to both understand the benefits and to enjoy preparing and eating food that comes from a known source and is healthy, tasty and enjoyable.

The Trust is uniquely placed to tell the story of the food chain- from plot to plate. An ongoing programme of communication activities promotes the benefits of local sustainable food to the public, our members and visitors. This includes product information at catering outlets; recipes on our website and themed events at our properties. Each year Llanerchaeron runs a series of food themed events such as cookery demonstrations using produce from the farm and garden. Events for local producers provide an opportunity for local companies to demonstrate their cheese making and brewing and promote their products. 'Learn about farming days' allow the public to see the animals, learn about food production and taste the end product.

D - Fine Farm Produce Award: "The Trust developed this award to support our policy to promote quality produce from responsibly managed farms. It aims to provide a marketing advantage to reward the best producers and encourage other producers to improve. It is only awarded to products from National Trust holdings that meet high standards of taste, quality and production. The identity of the Award has been developed to differentiate products and hopefully provide a marketing advantage to high quality producers. Dolaucothi lamb was the first recipient of the Fine Farm Produce Award. This year Trehill Farm early potatoes and Gower salt marsh lamb achieved the award.

The taste and quality of food and drink is an essential component of the award. A tasting panel follow a set procedure for taste assessment against benchmark products. The animal welfare, crop production, and food safety standards are all assessed externally by the RSPCA - Freedom Foods or organic certification. Food safety standards are checked by trading standards and environmental health officers respectively. The environmental standards are defined internally, under our Environmental Standards for Farms checklist. These environmental standards cover the key areas of farm practice, including legal compliance and best practice.

The award is intended to link production standards to marketing and offer consumers assurance that they are purchasing a quality product of fully traceable origin. The award therefore combines the objectives of environmental sustainability and food quality, integrating them in a way which the Trust sees as essential for the future of the food supply chain in Wales.

E - Working with tenants: The Trust operates catering outlets which would seem a natural market for the 220+ tenants producing food on our land in Wales. But the connections in the supply chain are not all in place, and it is not always easy for tenants to meet the needs of our catering operations. We have been working to make it easier for tenants to sell through our outlets with some success.

A range of produce from tenant farms is promoted on the Trust's website and through leaflets distributed at our visitor attractions. We endeavour to build links between tenants and our catering outlets and have arranged for tenants to meet our catering teams to explore the possibilities of supplying tearooms with produce. Wherever possible we use our contacts to promote local tenant produce. Since coming to the Trust Bodysgallen Hotel has taken steps to use Aberdaron crab and shitake mushrooms from our tenants.

During British (Wales) Food Fortnight 2008 Trust run catering units in Wales used lamb from our farm at Hafod y Llan and Aberdaron crabmeat. There was some reluctance from catering managers due to the higher than normal costs so they were advised on reducing wastage and how to promote it on menus. Produce such as Jacobi Ale produced by a tenant on the Dolaucothi estate is now sold in our tearooms.

Tenants were also offered the opportunity to market their produce on the Trust's stand at the Royal Welsh Show 2008. Those who took part were supported with new promotional material. As a result several were successful in securing new customers and orders. Whilst the

Trust can use its resources to provide support, the commitment of the tenant is crucial to success.

F - Marketing National Trust produce: In 2001 the National Trust developed a scheme to sell lamb from Hafod y Llan, our in-hand farm in Snowdonia direct to customers through a box scheme. Following a pilot phase, funding from Snowdonia National Park helped develop the infrastructure and marketing material. A method of insulating the box with lambs' wool was developed. This novel approach together with origin of the meat and its connection to conservation were used to promote and market the produce UK-wide.

Our other in-hand farm on the Llanerchaeron estate markets and sells all produce locally where there is strong demand for meat and vegetable produce. Produce is sold from a shop in the visitor building. The only food miles involved are those to the abattoir and back. A local hotel purchases all the farm's available belly pork to use in the restaurant.

During 2008 the Trust re-developed the branding and labelling of Hafod y Llan and Llanerchaeron produce to market them based on the story behind the produce.

¹Market research commissioned by "We Will if You Will" partnership, 2008

²Local Food - an Opportunity for Tourism, 2008

³Retail and Foodservice Opportunities for Local Food, IGD 2006

⁴Food Production', IGD, 2007

⁵Country Land & Business Association, 2008

⁶For details of other winners go to http://www.nationaltrust.org.uk/main/w-chl/w-countryside_environment/w-food_farming/w-food_farming-fine_farm_produce-award.htm