

Agribusiness 2021: Greater resilience and sustainability provide opportunities for UK agrisupply sectors

Improving business resilience, sustainability, and seizing trade opportunities for the UK's agri-food supply industry were the recurring themes from expert speakers at this year's Agribusiness conference, which was held online for the first time on 11 November 2020.

The conference, delivered by UK trade association the Agricultural Industries Confederation (AIC) which represents the agrisupply industry, reflected on the challenges and opportunities faced by the sector, not least those provided by the Covid-19 pandemic, which Caz Graham, Conference Chair, rightly pointed out, highlighted the critical importance of the sector in the delivery of food to the public.

Agribusiness 2021 coincidentally took place on the same day that the new Agriculture Bill received its Royal Assent. The significance was not lost on Victoria Prentice MP, Parliamentary Under Secretary of State at Defra, who took to the virtual stage, to discuss how removing the 'comfort blanket of the Common Agricultural Policy' and adopting a new approach to agricultural funding, with a focus on environmental sustainability, would also support farm productivity and profitability in the longer term.

The Farming Minister said: *"We have heard your call for an open partnership and have engaged fully with the AIC's Sustainability Roadmap. By working together, we can take forward the opportunities that you have identified. Your commitment to ongoing investment will be crucial to improving profitability, while at the same time making the adaptations we need to avert climate change."*

This vision of working together was echoed by Robert Sheasby, AIC's Chief Executive, who highlighted the role of AIC in supporting its members as the industry navigates its way through changing agricultural legislation, new trade deals, and the threats posed by climate change, the weather and unexpected challenges like Covid-19.

Minette Batters, NFU President, raised the sector's concerns for increased friction in the trade of agri-food products with no confirmed EU trade deal in place less than two months until the end of the transition period.

However, she was bullish about opportunities to trade with the EU and further afield. *"We have been lazy exporters,"* she said, explaining that building the British farming brand and investing in how we trade would help to open up new markets.

She also urged the Government to ensure that the new ELMS scheme is an enticing platform for farmers to base their businesses on, and that the delivery of this scheme is properly piloted and tested before implementation in 2024.

Fiona Smith, Professor of International Economic Law and N8 Chair of Agri-Food Regulation at the University of Leeds, also had a positive outlook on trade opportunities for the UK's agri-food sector, despite the uncertainties around specific trade deals.

"The UK is re-writing the rule book as it leaves a major trade deal with its geographic neighbour. But, I think the UK Government is on track to produce some really interesting trade agreements that will help embed sustainability into the supply chain," she said.

Turning to the impact of the farming industry on climate change and the challenge of meeting the UK's net zero target by 2050, The Right Hon. Lord Deben, Chair of the Committee on Climate Change, highlighted the uncertainties faced by farmers, who are dealing with an increase in volatile weather events, as a direct consequence of climate change.

"Our farming methods will have to change," he stressed, explaining that agriculture will have to increase its efforts to reduce carbon emissions, as significant soil sequestration will be required to mitigate emissions elsewhere.

"Net zero does not mean double counting by agriculture," he warned. *"New tree planting cannot count towards the farming sector's own carbon emissions reduction. They are part of the total emission reduction. The industry must make additional reductions in emissions to reduce its own carbon footprint."*

The use of technology could help food production to become more sustainable. Kate Hoffman, co-founder of GrowUp Farms, which grows baby leaf salads using Controlled Environment Production (often referred to as 'vertical farming') said that this production method provides opportunities to remove some of the biggest threats to the supply chain, particularly modern-day slavery, food safety, logistics issues and packaging impacts.

She said that although value remains important for consumers, there is an increasing interest in where and how food has been produced. *"Improving the understanding of food production can help consumers make better choices,"* she suggests.

Nicholas Saphir, Chair of AHDB, pointed to the ability of UK agribusiness to be competitive, and how the productivity gap between the best and worst farmers can be narrowed by better use of benchmarking and data.

“Farm success requires good agronomy and business acumen. The best farmers make more [money], the worst do not,” he said. “We need to drive unnecessary costs out of the system.”

Benchmarking is also one of the tools that US farm businesses are using to improve their productivity and assess their progress against sustainability goals, according to Rod Snyder, from Field to Market, which provides software to support the agri-food supply chain to measure the environmental impacts of commodity crop production and identify opportunities for improvement.

John Kelley – Chief Operating Office AIC reported that the level of engagement with both AIC members and stakeholders was excellent given the fact that this was a virtual event this year.

Authors