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Ymateb gan: Dr Siobhan Maderson, Cymru Wledig LPIP Rural Wales (LPIP), Prifysgol Aberystwyth

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Welsh Parliament

Economy, Trade, and Rural Affairs Committee

Inquiry: Food Processing

Ref: FP05

Evidence from: Dr Siobhan Maderson, Local Policy and Innovation Partnership for Rural Wales (LPIP), Aberystwyth University



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<https://arsyllfa.cymru/category/lpiruralwales/>

I am currently based at Aberystwyth University, working on LPIP. Before this, I was a Research Associate on the Horizon 2020 Food Trails project. Both of these projects engage with transforming food systems to deliver sustainable, nutritious diets that are environmentally sustainable and embedded in local and regional economies, to deliver economic growth that provides multiple social and community benefits.

LPIP is working to ensure that research and innovation support policy development and delivery. Our work is practice-focused, place-based, and designed at all stages to reflect the knowledge and insights of community and industry representatives throughout rural Wales.

LPIP are currently running a series of four Innovation Labs, which are codesigning innovations around the themes of a Wellbeing Economy; this is in line with the Welsh Government's Future Generations Act (WFGA), and the remit of the Economy, Trade and Rural Affairs Committee. One of the Innovation Labs is currently running a series of workshops focused on supporting nature-friendly, low carbon horticulture in Wales. Participants include growers, local food partnerships, local authority representatives, business advisors, researchers and others who are all engaged with the challenge of supporting Wales's horticultural sector. Results of the workshop will be used to design an innovation aiming to remove some of the current barriers facing this sector. The concerns and ideas expressed in these workshops are highly relevant to the Economy, Trade and Rural Affairs Committee's inquiry into Food Processing.

A shared view amongst workshop participants is that Wales's horticultural sector has grown substantially over the past 10-15 years, and there is far more government recognition of, and engagement with, the sector's relevance to the economic, environmental and public health of Wales. However, all workshop participants note a continuation of structural and financial barriers that need to be addressed in order for the sector to fulfil its potential. Following are a series of suggestions based on LPIP's work, as well as insights from previous research I have done on European food systems.

Regarding the effect decreasing numbers of livestock have on the ability of the processing sector to add value to Welsh produce:

Many LPIP workshop participants are engaged in the horticultural sector, which all too often is seen as in conflict with the livestock industry. This is coupled with the persistent challenge of access to agricultural land to develop horticultural businesses. Several participants have been involved in efforts to diversify livestock operations by

incorporating horticultural production. Challenges expressed include the markedly different skill sets and knowledge bases associated with the different production forms, as well as questions of terrain and suitability of land for different production systems. Opportunities to support this mixed approach include cultural precedents, with much of Welsh farming having been more diverse until the mid-20th century. Such mixed production also frequently incorporated small-scale apiculture, which brings added benefits to horticultural pollination.

Government intervention to ensure added value in the context of decreasing livestock should include pro-active support for livestock farmers considering land use diversification. This will require practical training for horticultural producers, legal assistance in exploring and developing tenancies for horticultural producers working on predominantly livestock operations, affordable housing, infrastructure investment and other forms of practical support and investment.

Several small pilot projects have been carried out with livestock farmers who have been willing to experiment with growing a few acres of potatoes, brassicas etc on their land. These projects report success in producing more diverse crops, as well as stimulating wider interest in farm diversification amongst livestock farming communities. Successfully modelling and promoting the economic potential of this approach, as well as government commitment to supporting farmers in making these transitions, stimulates further engagement by other producers. Embedding support for such pilots in local and Welsh Government policy can support a sustainable transition to less livestock and more horticultural production in Wales.

Re: what the Welsh government can do to further support the processing sector to increase added-value for food products in Wales:

LPIP workshop participants note that one of the most significant challenges to new entrants and current producers in the horticulture sector is the low margins involved. Labour costs tend to be high, as well as being unpredictable and highly seasonal. This creates further challenges to providing apprenticeships and training opportunities to facilitate the growth of this sector.

The Welsh Government can support this sector in several ways to strengthen the viability and potential of this sector. At the moment, it is very difficult for new entrants to receive training as current producers do not have the financial capacity to pay apprentices and/or extend employment opportunities beyond the length of training. This creates negative feedback loops within the system that hamper expansion. There are also challenges from the lack of affordable housing near horticultural operations. For the horticultural sector to fulfil its potential to develop and add value to Wales's food and drink sector, systemic barriers around training, housing, and support of small businesses need to be actively addressed.

Training and apprenticeships require funding and further practical support. Innovative work has been done by Our Food 1200 and the Sarn project, to ensure suitable housing for horticultural producers. Local authorities can adapt planning guidance to ensure that small-scale, One Planet developments are permitted when associated with horticultural production. There are also opportunities to support Community Housing developments which incorporate horticultural production into their remit. At the moment, there is frequently a sense that the Welsh Government has potentially innovative guidelines in place, yet these are not consistently applied to deliver the aims and objectives of the WFGA. The dissonance between the Welsh Government's vision and the decision-making of local authorities needs to be actively addressed. There is also pressure for cash-strapped local authorities to maximise income by selling off assets. This needs to be halted: applying wider concepts of value and investing in local economies can deliver increased local economic resilience, environmental benefits and community wellbeing. An example of this is work done by Carmarthenshire County Council and Bremenda Isaf. This farm is producing food for local schools, and providing multiple co-benefits to the local economy, environment and community. Such projects are a model for Wales's horticultural sector that can and should be supported by strategic partnerships between local authorities, local food partnerships, businesses and the Welsh Government.

Re: increasing public procurement of food processed in Wales, and its implications for supporting the horticultural sector

The work of Welsh Veg in Schools (WViS) is exemplar in this field. Concrete support from the Welsh Government can support its expansion to meet its goal of 25% of all food in Wales's primary schools to be locally, organically produced by 2030. Horticultural producers will need support in making the transition to organic production and/or attaining organic certification. This will also require ensuring high quality, affordable, non-peat based compost to enhance soil quality and productivity. Small-scale horticultural producers who might wish to supply public procurement – for the WViS project or other avenues – may benefit from multiple support streams. Dynamic Procurement Systems can be used to create business opportunities for small-scale producers to engage in economies of scale.

It is important to note that simply setting up the systems is not in and of itself sufficient to ensure engagement from producers. The skill sets needed for horticultural production are markedly different from those required to navigate government websites and procurement systems. Targeted training and support can bring producers in, and enable them to benefit from changes in procurement policies. This also includes finding ways of capturing the social value inherent in many horticultural operations, which forefront community engagement and inclusion, as well as other non-commercial benefits. While many producers may struggle to compete solely on price,

factoring in wider benefits both highlights the broader sustainability benefits of many small-scale horticultural enterprises, and facilitates producers' engagement with the public procurement process in Wales.

Examples of this approach are increasingly common throughout Europe, where significant work is being done to support territorial economic development through the public procurement system. Several cities in the Food Trails project, notably Copenhagen and Milan, are developing the capacity of their procurement systems to factor in wider benefits. Their stories, as well as further practical recommendations and resources, are compiled in this handbook:

<https://foodtrails.milanurbanfoodpolicy.org/resources/food-trails-replication-handbook-sharing-innovation-for-urban-food-system-transition/>

It is important to note that pro-active government support for scaling up horticultural production and processing will be necessary for the sector to meet its potential. International examples suggest that a lack of regional processing plants, limited knowledge of public sector catering staff, storage, transport, and dietary preferences all create challenges to maximising the potential benefits of the public procurement sector. All of these issues will need to be invested in and addressed to achieve the long-term benefits of public procurement reform.

I thank committee members for the opportunity to respond to this consultation on this important issue, which is of significance to all of Wales.

Yours Sincerely,

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