

Norfolk & Suffolk Agri-Food Industry Council Meeting

Date: 21 April 2020

Time: 0930 - 1130

Location & room: Microsoft Teams

Our vision: The future is a place where we make a telling contribution in growing the agri-food sector in Norfolk & Suffolk

Our vision is to be a shining beacon of how an LEP industry council supports its sector & businesses. As a result of our activities, the agri-food sector in Norfolk & Suffolk will become bigger, more prosperous and more economically & environmentally resilient.

Our mission: We will get there by maximising opportunities to generate economic prosperity

The Norfolk and Suffolk Agri-Food Industry Council's mission is to help our sector thrive & grow. Providing clear & demonstrable value, the Council will drive the delivery of the Industrial Strategy and Sector Deals, which will strengthen the agricultural & food sector in Norfolk & Suffolk, reinforce its economic prosperity, support its environmental objectives, and make it even more attractive to those who want to work, and invest, in the sector.

In attendance

Doug Field (Chair)	New Anglia LEP	Madeleine Coupe	New Anglia LEP
Philip Ainsworth	Suffolk Agric Assn.	Emma Taylor	New Anglia LEP
Adam Scott	NFU (deputising)	Sam Fairs	Hillfairs Farming Ltd
Belinda Clarke	Agri-TechE	Robert Gooch	The Wildmeat Co
Jonathan Clarke	JIC	Andrew Fearne	UEA
Cath Crowther	CLA	Barry Chevalier Guild	Aspalls Cider
Greg Smith	RNAA	Clarke Willis	Honningham Thorpe
Jane Townsend	Easton Otley College	Nigel Davies	Muntons
Viv Gillespie	Suffolk New College	Martin Collison	Collison & Associates
Corrienne Peasgood	City College Norwich	Andrew Francis	Elveden Estate
Ben Turner	Ben Burgess & Co Ltd	Sarah Lucas	Brown & Co
Jasmine Joolia	Suffolk County Council	Alex Dinsdale	Agri-TechE (secretariat)
Kate De Vries	Norfolk County Council		

Minutes

1	Welcome from the Chair; apologies and roundtable introductions, minutes of the last meeting; approval and matters arising	Chair / all
	There were no matters arising from the minutes of the previous meeting in December, which were approved. Rachel Carrington was unable to attend for the NFU but her colleague Adam Scott attended in her place. Karen Barclay (Anglian Water) sent apologies for absence.	
2	State of the nation: Norfolk & Suffolk farming & food update	All
	<p><i>The comments below have been both anonymised and arranged by topic / sector rather than attributed to individuals on the Council. New Anglia LEP has provided a more detailed version to BEIS as part of its regular confidential briefing to Government on the Covid 19 impact.</i></p> <p>Agricultural sector challenges</p> <ul style="list-style-type: none"> • Ornamental sector, hard hit in run up to Easter. • Loss of food service sector impacted potato & livestock sectors. Closure of businesses such as McDonalds means that huge volumes of livestock, milk & eggs are without a home. • Cereals less affected but malting barley sector coming under pressure due to closure of pubs. 	

Increased use of the countryside

- Problems associated with flytipping and increased public access, but more visitors to the countryside is also a positive.

Agricultural inputs

- Raw material supply difficulties haven't materialised as had feared, diesel and ag chem supply fine, liquid N fertiliser delayed 4 – 5 days.
- Active ingredients (for ag chem) haven't been manufactured over past few weeks so inputs for autumn crops, and even for spring 2021, may be in short supply.
- Still seeing machinery parts coming through, and whole machinery, no big issues but delivery times for later in year being pushed back especially for higher horsepower machinery.
- Customers looking to drop potato planting by 15-20% for next season, US dumping product on worldwide market, creating further uncertainty.
- Export & moving kit around Europe had been thought to be difficult but it is still moving.
- Ag chem stores full of unused autumn supplies creating cashflow issues for farmers who weren't able to use it and require additional inputs for spring crops.

Businesses & staff

- Many staff furloughed at pubs and breweries.
- Leisure industry struggling. Holiday parks / accommodation / cottages suffering – many are farm diversification enterprises meaning that secondary farm income is also being hit.
- Staffing & labour availability are major issue. Changing consumer habits and opportunities (eg potatoes) together with reduction in demand for lots of products also presenting challenges.
- Some businesses can't just furlough staff e.g. where property has to be maintained, or if animals involved e.g. wildlife parks.
- Farms which have diversified are facing challenges. Banks tend to lend willingly to farm businesses but less so with diversified businesses who haven't been well-served by banks.
- Single biggest issue is staff supply in processing and fresh produce sectors, although major pressure here won't begin until May or June.
- Some businesses in food service closed, some furloughed, others moved staff around business to manage retail increases.
- Travel has been problematic due to police but Defra has provided useful advice. Migrant labour often travels in shared cars or minibuses so is causing challenges.
- Food processors struggling to obtain the supplies of PPE they need as diverted to NHS. This has been taken up with HSE nationally to try to find a solution.
- Working with, and bringing together, disparate sectors & firms to try to meet staff needs in food chain.
- Other issue aside from staffing is cashflow. Those businesses in sectors which have seen downturn finding it very tough. Businesses supplying foodservice finding bills for products supplied 4+ weeks ago not being paid and concern this will turn into bad debt.
- Some businesses concerned about foreign trade, especially those processing imported food or food for export. Trade has slowed down so less food to process. Reductions in sea freight beginning to impact – need to look at how to keep supply chains open. Biggest exports in recent years have been to Middle East & China – both destinations now becoming difficult to service.

Brexit

- Doing a lot on transition and pushing for delay in reduction in direct farm payments. Given Agriculture Bill is on hold and pressures on cashflow due to COVID, we think it's absolutely essential that transition is delayed.

Retail / food supply

- Retail sector has seen the equivalent of Xmas in the past couple of weeks which it wasn't prepared for.
- Some businesses switching to direct to supply, some doing very well but not an option for all.

- Food industry and supply chain has done a tremendous job in adjusting; retailers have done an extremely good job as have local suppliers and businesses who have switched their operations, for example into home delivery.
- Majority of food businesses have seen demand go up substantially which is difficult due to lack of staff.
- Retail trade has seen demand increase rapidly are not being paid as well so also finding it difficult.
- Main concern is dropping beer sales.
- Ecommerce lacks infrastructure, skill set, cash to cope in spite of massive increase in demand. This wonderful opportunity may only represent a short term interest in local food, but the sector is really struggling to match demand.
- Physical and mental capacity stretched and no time to plan for aftermath.
- Food service sharing staff and vehicles – redeploying & collaborating – but individuals and businesses have neither the time or the capability to think about how this will work longer term. Retail switching to delivery & ecommerce but businesses are in survival mode and don't have the time to think about future; collaborations may not survive.
- Businesses don't know where to turn for advice and don't have time to do so in any case. Drastic workload increases to get stuff out in response to demand but no capacity to consider how to retain this business and make it last long term.
- Seeing unprecedented demand – like Xmas – frustratingly can't service it all as staff concerned about H&S from bringing in new staff for packing & processing.
- Courier companies also not working effectively due to high demand and low staff.
- Colleague safety is our top priority.
- We have a diversified business seeing different impacts; filling stations 75% drop in sales of fuel.
- Convenience stores, some struggle to maintain social distancing and also suffering from unbelievable abuse from general public, e.g. 'toilet roll tourists'. Still operating compressed hours and trying to find and adapt to new ways of working.

Education

- University sector as a whole holding its breath regarding overseas students; if they don't return things will be exceedingly tough.
- Have switched to online delivery wherever possible but home circumstances doesn't always allow that e.g. slow broadband or lack of a place in the home to learn at home. Managing safeguarding at length also a responsibility.
- The college has lost summer in terms of promotion & marketing to fill places for September.
- Exams and assessments – govt committed to ensuring no-one is disadvantaged so not taking exams shouldn't hold people back from next steps. However, much of what we do is practical so that is missing and many students will have to undertake practical work & assessments in the autumn before they can move to the next level.
- Colleges in any case struggling due to lack of funding.
- Principal concern is lack of students in September.
- Lots of adults will look for short courses to upskill after redundancy.
- 18 – 19 yrs olds who would have finished this year won't be able to find job openings leading to mass youth unemployment.

Shows

- Economic impact on region of both (Nfk & Sfk) shows being cancelled is loss of c£50m. Working on regionally & w/Lincs to maintain virtual educational output for schools with support from SCC.
- Strategic concerns too; where do we go once this is over and how do we get there. Govt support won't last forever, how do we sustain ourselves to get back on own two feet?
- The future is causing real concern; our events are mass participation and it might be beyond 2021 before things back to normal for these kinds of events.
- Anticipation of being back to normal for June 2021 may be unrealistic.
- Business planning very difficult 'can't even see horizon so we don't know what our bearings are.'

- Cash very tight, working feverishly hard to ensure we stay solvent. Very concerned about prospects for organisations we work with and support (via events etc) which may not survive.

Land & property

- Residential market slow, very few new properties coming to market apart from those prepared for sale pre-COVID.
- Most sales agreed pre-COVID still going through albeit slowly.
- Land market usually more resilient in these types of circumstances especially where ambitious local farmers next door, they'll still want that land.
- Have agreed some sales since lockdown begun. Solicitors working from home but things taking longer.
- Resolving issues with clients can be challenging especially with older clients not used to video conferencing.
- Banks finding it tricky to complete valuations as getting access to property difficult unless it's bare farmland; can't inspect buildings, or houses. Banks also nervous about impact of COVID on values but no reliable data to show what impact is as very few sales actually completing. Low cost finance is enabling clients to restructure their businesses, but it's very slow as bank admin often done in other countries which are also in lockdown.

NALEP

- The LEP's Growth Hub team has grown as staff have been redeployed to support it. Working closely with Norfolk local authorities, Suffolk is choosing to work slightly differently.
- ***Please provide details of problems e.g. with banks which we can raise and hopefully address.***
- 2000 calls have been taken at the Growth Hub since lockdown begun.
- Two new grant schemes are being set up including an innovation grant scheme. Also looking at repurposing remaining LEP funding to provide capital grants. E.g. to help businesses to restructure or reorganise, to focus on new opportunities. Less emphasis on growth, more on recovery.
- EU Commission said at beginning of the crisis that they wanted to loosen rules on grant support streams & programmes but rule changes are taking a long time to follow through in the UK. For example, EU rural development funding only available to farming sector in but we need it to be able to support the whole supply chain regardless of sector or whether it's currently eligible.

3	Response to COVID-19: Government policy & support required to support the sector's recovery and future growth	All
<p>Emma Taylor, NALEP The LEP will establish a Council sub-group to look at recovery efforts, looking at:</p> <ul style="list-style-type: none"> • how to capitalise on new local supply chains • understanding the needs of businesses which are diversifying • labour supply • adaptations to changing consumer demand patterns <p>Findings will be pulled together into a regional pitch for HMG support. Keen to hear from volunteers to work with ET & MC to develop this.</p> <ul style="list-style-type: none"> • Food Innovation Centre project bid has been submitted; if successful the project will launch in 2021 with support programme for food businesses in region. However, would love to get support much sooner than that; an injection of funds for food and drink business support advisers later in 2020, to handhold through recovery and business restructuring & change. In addition, grants to support businesses developing ecommerce. • FIC supports SMEs; restricted by ERDF rules on that front. But working with UEA on development of food & drink cluster for East of England to foster collaboration with larger businesses. Essential to work with larger businesses; even though funding limits exist there are other ways we can work with and support them. 		

	<ul style="list-style-type: none"> In the short term, Flavour Connexions is a website connecting those with food oversupply with those in demand of food. NALEP interested in views as to whether longer term need for LEP and partners to get involved in supporting food supply chain, or will it stabilise without support? 	
4	Actions & next steps	Chair / Emma Taylor
	Emma Taylor to contact those who have expressed an interest in sitting on this group <ul style="list-style-type: none"> Vivienne Gillespie, Ben Turner, Greg Smith, Jasmine Joolia 	
5	ANY OTHER BUSINESS; DATE OF NEXT MEETING	Chair
	A request to meet sooner than the planned next meeting in September was made and the chair said it would be looked into. The chair thanked participations for their contributions <u>Next meetings:</u> TUESDAY SEPTEMBER 15, SUFFOLK RURAL COLLEGE (OTLEY), CHADACRE ROOM TUESDAY DECEMBER 15, ROYAL NORFOLK AGRICULTURAL ASSOCIATION, TOWNSEND ROOM	