

ROSS WARBURTON – WELCOME REMARKS

Good afternoon everyone and welcome to this year's Food and Drink Federation Parliamentary Reception here in the splendid surroundings of the Members' Dining Room.

At this point in the proceedings, it would be customary for our room sponsor, Paddy Tipping MP, to formally welcome you to our event.

As some of you will be aware, Paddy has sponsored this event for a number of years. Unfortunately, Paddy can't be with us today as he is currently recovering from a heart attack, which is preventing him from doing any Parliamentary business at the moment. I know you will all join me in wishing him a very speedy recovery. We look forward to working with him again when Parliament returns in the autumn.

Now, for those who don't know, the Food and Drink Federation represents the interests of food and drink manufacturers of all sizes, making all sorts of products from organic muesli to chocolate to bread (of course).

The food and drink sector is the UK's biggest manufacturing industry, directly employing 440,000 people, indirectly accounting for a further 1.2m jobs further up the supply chain and generating turnover of £72.6bn a year. Compared with, say, the motor industry, our sector is twice as important to the UK economy on virtually every metric. And not enough people know that!

We are particularly proud of the fact that food and drink is a high value manufacturing sector, offering world class capabilities in the areas of production, logistics, sales, marketing and innovation.

In fact we spend £300m on Research and Development and launch thousands of new products every year.

It's our sector's world class capabilities in innovation, and its deep knowledge of consumers, that has allowed our members to respond so positively in the ongoing debates about the health of the nation, by developing new products for consumers – and refreshing old favourites – so that they are lower in energy calories, fat or salt.

Changing the recipes of much-loved British brands is a complex task – and it needs to be done in a way that does not impact functionality, quality, price or

consumer appeal . Our members have been voluntarily embracing this particular challenge for a number of years, and they are now leading the way when it comes to the reformulation of popular products – meeting consumer concerns about health in a way that doesn't make any compromises on taste.

And that's what we are here to celebrate today, with the launch of a new report by FDF that details the work of member companies of all sizes, from the biggest multinational to smaller private operators, working across every type of product category.

We asked each of these companies to focus on just one aspect of their innovation projects – as a way of giving you a flavour of all the work currently underway across our sector.

And there are some amazing stories in here – from apetito's ongoing efforts to provide nutritionally balanced meals for the elderly and healthcare sectors to Nairns' incredible work to develop a truly healthy oatcake to Young's revamp of its Chip Shop brand.

Each of our 16 case studies will help you to understand the very significant technical, financial and consumer challenges that companies need to overcome with every new product or recipe development.

You will not just hear from members of the Food and Drink Federation in this report. You will also see that we have asked a number of experts and our Regulator to give their perspective. I thank all of them for their contributions to the project.

Reassuringly, our report also suggests that the economic downturn has thus far not created a 'health crunch' when it comes to such innovation. Figures compiled for us by Mintel show that 700 product lines have been launched with new recipes since 2007 – the equivalent of nine a week – more than in any other European country. Mintel's research also suggests that total sales of healthier eating options in some key food and drink categories are now worth £8bn – and in some areas are growing at twice the rate of the market as a whole.

Change on this scale requires a huge financial commitment by business. The recession is clearly forcing companies to reprioritise their investment decisions, and policy makers and regulators do need to be sympathetic to the immediate economic pressures faced by food and drink companies.

There are issues too in how far companies can keep pushing the technical barriers to further change without making compromises that consumers will, quite frankly, reject. Other consumer trends can also restrict further innovation –

demands for ‘naturalness’ in products, for instance, make it hard for manufacturers to swap sugars for alternative sweeteners.

And, of course, the many restrictions we now face on the marketing of food products can create a big disincentive to reformulation, aside from the fact they add to the complexity of the regulatory landscape in which we operate.

For instance: it just cannot make any kind of sense that from next January it will be illegal for manufacturers to tell consumers if their product does not contain added salt or to say it contains 20 per cent less fat. Such consumer messages – and the recipe innovations that underpin them – clearly support Government policy on product reformulation and help industry communicate its achievements.

But as things stand, they will no longer be permitted under the EU Nutrition and Health Claims Regulation. Unless that is, the UK Government can work with colleagues across Europe either to amend that part of the Regulation as a matter of urgency or to extend the transition period to allow time for it to be amended.

Nevertheless, our members remain totally focused on delivering the best possible products for consumers. Our new report is, therefore, a timely reminder that our commitment to healthier recipes is long-standing – in fact, it was a key pillar of the industry health and wellbeing action plan unveiled by FDF members way back in 2004. We genuinely have been doing this for years.

But reformulation is not the sole answer to society’s concerns about the health of the nation.

And that’s why our sector is focusing on a range of areas where we know we can make a real difference. Whether it’s the provision of clearer on-pack nutrition labelling or the introduction of workplace wellbeing schemes, our members are leading the way. We are also committed to working in genuine partnership with Government and others to deliver long-term solutions that will improve the health of the nation. We feel these are all important ingredients for any successful public health strategy.

We value the strong relationship we have forged with the Department of Health, which has embarked on an ambitious strategy for tackling the growing problem of obesity here in the UK. Within that strategy there is a clear recognition of the importance of working closely with industry partners to deliver meaningful change that will help consumers. And FDF and its members are committed to working constructively with the Department on this important agenda.

All of which leads me very nicely to our keynote speaker today.

As you will all be aware, Gillian Merron was appointed Minister of State for Public Health on June 8. In her new role, Gillian has a wide range of responsibilities, including the Department's important programmes in areas such as diet and nutrition and obesity.

I am delighted that Gillian is able to join us today and I look forward to what she has to say.

Minister.

Thank you.