

## **Campden Day Lecture 2010: “Food in the future”** **By Ross Warburton, President of the Food and Drink Federation**

Good morning everyone.

It is with some trepidation that I address you today. The Campden Day Lecture has been an institution for over 30 years and is a strong fixture in the food industry calendar – something of which Campden should be suitably proud. Glancing through the list of previous speakers, it reads like an impressive, and very comprehensive, Who’s Who of our industry and of the people who have influenced our sector’s development since 1989.

So why have you asked me?

Looking back through the history of this event I found a possible reason…… it is over 20 years since someone gave this Lecture in their capacity as President of FDF, so it’s probably our turn.

But then I also spotted that he too was called Ross – Ross Buckland, who was latterly chairman of Uniq – so I assumed that Campden simply operates a tough selection process for speakers, and that anyone who could survive that posting may also survive today!

Interestingly, only one woman appears on the list – and that was Dame Deirdre Hutton, who spoke in 2007 while chairman of the Food Standards Agency. Deirdre is now in the unenviable position of judging when it is safe to fly in the current volcanic climate.

I mention her in passing only because it is a reminder that despite our efforts to nurture the best talent over the past 30 years – irrespective of sex, creed or colour – the senior echelons of our industry, like so many other parts of public life, remain stubbornly male-dominated.

That is clearly changing – at speed – and that must be a good thing.

So my prediction – the first I will make today – is that when Campden celebrates the 50<sup>th</sup> anniversary of this Lecture in 20 years or so, the balance of that list of speakers will have changed dramatically as more women will have had the opportunity I have today.

But predictions are, of course, dangerous things.

A quick Google search on the Internet – itself dismissed as an irrelevance in a 1995 Newsweek magazine story – shows just how many people have failed to second guess the future.

Ken Olson, the founder of the Digital Equipment Corporation who infamously announced in 1977 that “there is no reason anyone would want a computer in their home”.

Or how about hapless Decca record company executive Dick Rowe who rejected the Beatles in 1962 saying “We don’t like their sound, and guitar music is on the way out”?

And, of course, nobody predicted before 06 May that the UK would end up with a coalition Government formed by the Conservatives and the Liberal Democrats. The first in more than 30 years.

You can hopefully appreciate why I have approached this Lecture with some nervousness given that it is all about predicting the future.

In particular, I am keen that today we spend a little time thinking about how the world will appear in 2030 from a food sector perspective. As many of you know that date is significant for all of us in industry, if only because Defra, our sponsoring Government department, recently set out its vision for a sustainable and secure food system by 2030.

So what sort of issues will the 52nd speaker at the Campden Day Lecture be addressing in her speech in 2030?

Well, I think there are some pretty big themes emerging around which there is growing consensus among academics, futurologists, politicians, campaigners and industry leaders:

- First, there will be an explosion in world population growth in the next twenty years – eight billion by 2030, rising to 12 billion by 2050. All of whom will need to be fed. Not an encouraging prospect, when you consider that one billion people go hungry today – largely, we all know, through the inequitable distribution of food globally.
- People will also be living longer and societal demographics will continue to change – particularly in more developed nations – with some predicting that one billion, or one in eight people, will be aged 65 or older by 2030 – double today’s figure.
- Even before 2030 we will probably start seeing tangible evidence of the long-term challenges that will be posed to the planet by the impact of climate change – not least through growing global shortages of valuable resources such as water. In fact, the World Economic Forum has already described water scarcity as the “headline geopolitical issue” for the next 20 years.
- With more mouths to feed, the UN Food and Agriculture Organisation believes that the planet will need to be producing 50% more food by 2030. But rising demand and climate change impacts also mean that we can expect much more uncertainty and volatility in the price of basic foodstuffs and ingredients in the next two decades. Food security is no longer an issue that we can take for granted in the UK.

- And just to add to the fun, we may also be approaching – or indeed have passed – peak oil production by 2030 at a time when the world's energy needs will have doubled.

But if we step away from such detailed – and potentially gloomy – analysis for a moment, I think we should feel positive about the future because history tells us that the food industry has a strong track record of...

...responding quickly to rapid societal change...

...of evolving businesses models to ensure they remain fit for purpose...

...and of adapting products and processes to meet new and emerging consumer needs.

We also know that today's food and drink sector is a high value manufacturing industry offering genuine world class capabilities in areas of production, logistics, sales, marketing and innovation.

These are our inherent strengths and we will have to continue leveraging them to maximum effect over the course of the next two decades if we are to remain productive, sustainable and, above all, profitable.

And if we are to be in a position to keep supporting British farmers, keep feeding consumers and keep hundreds of thousands of people in manufacturing jobs.

Let's just reflect for a moment on some of the changes we have witnessed in British society in the past 50 years:

- In the post-war years, food accounted for about 33% of disposable income compared with 10% today;
- The average family size has actually halved; we now have more people living on their own; there are more of us crammed into this island, and we are living longer and getting older as a nation;
- With more people working, the way we eat food has changed – and we now spend less than twenty minutes preparing the main meal, compared with an hour or more we used to spend.

But we have taken it all in our stride and the food chain as a whole has responded in so many different, positive, ways:

- Consumer innovations such as frozen foods and chilled ready meals; oven-ready dishes and convenient microwavable foods; exotic foods and global cuisines;
- Supply chain and manufacturing innovations such as the Chorleywood breadmaking process, the barcode and the advent of just-in-time production;

- And continuous retail innovation from the first self-service supermarket in the 1950s to today's growth in online shopping to the explosion in affordable options for eating out of home

Consumers and society have clearly benefitted from our success. Since the Second World War we have delivered food that is safer, more nutritious, tastier and more affordable than ever. There is a much wider range of choice for people than at any time in our history, with year round availability. With rare exceptions, shops are always fully stocked.

As we look ahead, you could argue that consumers in 2030 will – in many ways – be no different than their grandparents in the 1950s: they will want us to keep delivering as wide a choice of products as possible and to keep offering outstanding value for money.

All which begs an obvious ethical question: is it right that society continues to behave that way in a resource-constrained future?

There are clearly huge gaps between how we think today as citizens and actually behave in the supermarket as consumers – and if we are to make progress, we do need to close those gaps.

Equally, it's obvious that the next generation of shoppers will put more emphasis on values than value per se.

There will be a growing awareness of the broader sustainability issues which will in turn lead to increasing consumer interest in where ingredients are sourced, how they are grown and how the food is actually made. By 2030, we will also see more consumers going back to the future: with meaningful numbers growing their own food and buying local produce. Changing purchasing habits will clearly send out strong signals to the industry and we will, of course, respond.

But this vision of a values-led future is predicated on the pretty big assumption that Government, industry and others will be able to work together to help consumers navigate through some pretty complex issues so that more of us do start behaving as concerned citizens.

There's a huge job to be done educating consumers so that they can make better-informed choices about the food and drink they buy – can feel empowered to improve their family's diet and lifestyles – and can take real responsibility for minimising their own impacts on the environment, not least through unacceptable levels of food waste.

(And I am sure the Daily Mail will be as helpful as ever in those endeavours).

But if education is critical, it is going to be ever more difficult for any of us to influence consumers at a time when Alexander Pope's view that 'a little knowledge is a dangerous thing' has never been truer.

You don't need to be Bill Gates to predict that consumer-facing technologies will continue to transform not only the way we buy food, but also continue to shape our knowledge about what we are eating.

Here's some food for thought.

Did you know that in 1997 – as New Labour came to power – only 17% of us had a mobile phone and 4% of us had internet access at home? Today, on the back of what was supposedly the digital Election, 93% of us carry a mobile and 73% of homes are connected to the web.

In the brave new world of mobile phone apps and social media, the technological ideas that frankly sounded fanciful a few years ago now appear perfectly reasonable – such as the fridge that knows when you are running low of food and places an order with an online grocer; but only choosing what you need to stay healthy using sound dietary advice based on GDAs.

Daft? Perhaps. But the geeks in the room will know that companies such as LG Electronics have been trying to commercialise the internet fridge since beginning of this decade. So it's only a matter of time.

In fact, we have entered a new consumer era of empowerment through communication – where it is pointless trying to pretend you can 'control' the key messages, and where transparency will no longer be optional for any company. Every aspect of your business is under intense scrutiny – from the way you market products to the honesty of the country of origin labelling you provide on packs. All of us need to be ready to embrace this revolution. Consumer feedback – good or bad – is now virtually instantaneous.

Today's Twitter backlash may be tomorrow's sales collapse.

This is either an exciting prospect or all rather disturbing, depending on your point of view.

But technology will change things in other equally profound ways by 2030:

- On the consumer side, smart packaging may yet become a reality – helping reduce waste by keeping things fresher for longer and telling shoppers when the food needs to be eaten. And despite our sector's focus on ruthless efficiency, we will also need to deliver greater levels of personalisation and customisation; internet-enabled, no doubt.
- On the production side, we'll clearly keep investing in ever-more efficient processing equipment that helps reduce our energy and water usage and keeps our waste to a minimum – and we have the potential to exploit our skills and knowledge to become world leaders in resource efficiency. Perhaps some of the kit we use in our factories will also be enhanced with nano-coatings that will ensure food is safer than ever.
- On the supply side, modern biotechnologies, including GM, offer some potential to improve the quality and quantity of food available. And by 2030 we will have to

have formed a clearer view about the environmental, safety and consumer benefits of GM. I worry if we haven't!

I am convinced that technology – in all its many guises – will play a vital role in underpinning the food industry's collective response to a future world impacted by the challenge of climate change and energy shortages.

I also recognise that we can't expect society's response to the challenges ahead to be solely about changing consumer behaviours in the hope of creating a demand-side solution.

Industry also needs to step up to the plate. As part of our strategies for adapting to a resource-constrained future, the entire food chain is going to have to do more to encourage greater efficiency of resource use.

Very simply, more will need to be produced with less.

As many of you will know, members of FDF are already demonstrating what manufacturers can do through our Five-fold Environmental Ambition: reducing our carbon emissions; cutting our use of water; using less packaging; aiming to eliminate waste to landfill; and increasing the efficiency of our transport operations.

All of which not only improves our sustainability, but also makes good business sense by helping to reduce costs and boost productivity.

It's not all about the environment, of course. In its most basic definition, sustainability is about how we embrace environmental improvement, social issues and economic development – all at the same time.

So we have a clear responsibility to keep responding to other equally important societal concerns, otherwise some of today's big headaches will remain unresolved. For instance: all the evidence suggests that not only will we be older as a nation in 2030, we may be fatter than ever. That poses ongoing challenges for industry and for policy makers around issues relating to both quality of life and public health.

From our perspective, we are rightly proud of how our sector has already reacted to complex challenges such as obesity. UK food manufacturers are leading the world in terms of their voluntary action to:

- Improve the recipes of popular brands;
- Introduce new choices and appropriate portion sizes;
- Improve the nutrition information on products;
- Market products responsibly, notably through initiatives to restrict advertising to young children;
- Use the workplace to promote the importance of healthy lifestyles.

Government has a positive role to play in guiding food choices (albeit with advice based on solid nutrition principles, not dumb nutritionalism)...

Setting minimum standards (particularly for school meals)...

And in improving the food literacy of consumers through education, clearer on-pack labelling and encouraging caterers to provide more information on their menus.

But when it comes to tackling complex lifestyle issues such as obesity, I remain convinced that the most successful approaches are those that are based on empowering healthier choices, rather than trying to control individuals through taxes, bans and other diktats from on high.

And we have seen that the best results will always come when Government work in genuine partnership with industry to educate individuals to be more aware of the impact of the choices they make in terms of both diet and exercise, for themselves, their families and, ultimately, society.

But what about the final pillar of my definition of sustainability – economic development?

I believe passionately that if industry is to keep responding over the next 20 years to the changing shopping behaviours of better-informed consumers...

...and invest in strategies and technologies to help us mitigate the impact of climate change to ensure our continued food security here ...

...while partnering with Government to improve the health of the nation...

...we can only do that if we have a successful food manufacturing industry here in the UK.

And that's the fundamental challenge facing Government today.

Maintaining a thriving, innovative and profitable food system in the UK – to 2030 and beyond – has to be an overarching Government priority in its own right.

We need clear, coherent and consistent policies across Whitehall.

We need a political, fiscal and regulatory framework which promotes efficiency of resource use, stimulates innovation and attracts the investment that will be needed if our industry is to continue to thrive in 2030.

More than that, UK policy making needs to be proportionate and balanced, with a clear focus on maintaining our sector's ability to compete and to build future capacity here, rather than overseas.

Critical – perhaps – to the success of all that will be Government's ability to work with industry to agree a shared vision of what we think a healthy, low environmental impact actually diet looks like.

Only then can we decide how best to encourage a change in consumer behaviours – and which behaviours need changing – as well as highlighting any long-term support necessary to help the entire food chain equip itself to change the products we make.

But it is complicated stuff. We will need to adopt common methodologies for proper life cycle analysis of impacts across the value chain and then we will need to use these in ways that promote rational decision making which takes full account of the social aspects of sustainability as well as the potential economic implications of what is being proposed.

None of which will be easily captured in a simple soundbites.

So I do get frustrated when I see so-called experts telling us that the answer to all of our problems is for British consumers to cut down on meat and dairy and reduce their intakes of processed foods. It's not as simple as that...

There will never be one, clear-cut answer in this debate. Anyone claiming otherwise is being disingenuous. There will always have to be hard trade-offs that reflect the personal preferences, incomes and cultures of the many different population groups that inhabit our crowded island.

And a diet that is healthy will not always necessarily be low impact. For instance: vegetables grown in greenhouses in the UK may have a high carbon footprint; but then vegetables grown elsewhere may have a damaging water footprint. Which is more important for the environment? If we don't buy fresh vegetables from Africa, how does that sit with our responsibility to help economic development overseas? And what do we want to do: encourage consumers to eat more vegetables, which may mean buying more frozen and canned produce, or encourage them to eat only UK field-grown, seasonable vegetables?

The answer to each of these questions – and a myriad more – clearly represents different sets of challenges, choices and trade-offs for Government, for the food chain and for consumers.

And we cannot address these issues as if we existed in splendid isolation from the rest of the world – and from the potential global impacts of climate and demographic change, environmental degradation and future shortages of fossil fuels and water.

In that future global context, the question for Government is actually pretty simple: what should we be doing today to maintain the UK's food security for tomorrow?

Is it really trying to stop the production of meat and dairy in the UK, thus running the risk of externalising our environmental impacts in the short-term (as imports increase) as well as undermining our ability to respond to long-term changes in food production and sourcing. After all, from a UK perspective, cattle and sheep kept on land that can't support any other form of cropping is surely an important use of that valuable resource?

And let's not forget another important fact. As I have said already, consumers in 2030 will be, in many ways, behave exactly the same as shoppers today.

They will not want to live in a drab world of limited choices, where we buy food that looks grey, smells grey and comes in grey packets.

They will want food that is tasty.

They will want food that excites the senses.

And they will want food that is pleasurable – whether eating a nice slice of toast for breakfast or chomping an indulgent treat or sitting down with the family to enjoy a Sunday roast.

Will the food industry still be able to deliver all of that in 2030?

As I said at the start of my Lecture – predictions can be dangerous things.

I am not blind to the massive challenges that lie ahead. I understand that by 2030, we will be living in an increasingly uncertain world.

But my vision of the future is not all gloomy. I predict that we will be delivering the goods in 2030.

I remain optimistic that in 20 years time we will have an industry that has successfully adapted to the changes happening all around it. Just as we always have done.

I believe that new skills, technologies and innovations will have underpinned our efforts to become ever more resource efficient – and ensured we are well equipped to meet the needs of a new generation of better-informed and even more demanding consumers.

I also see an industry working in genuine partnership with Government, and others, to tackle public health issues such as obesity – and getting to grips with the emerging nutrition challenges posed by an ageing population.

And in doing all of this, I predict a profitable food manufacturing sector, which has grown in size and is providing thousands of jobs across the country, as well as a vital outlet for the output of an economically vibrant British farming community.

But if my optimistic vision is to be realised, my challenge to Government remains: stop taking us for granted. Develop a national policy that reflects the key strategic role food and drink manufacturers will play in ensuring the nation's future food security. And work with us to ensure our sector is in a fit state to meet the many challenges of 2030.

Otherwise, I predict an alternative vision for the future of food that I frankly think is far too unpalatable a thing to contemplate before our lunch today! Thank you for listening.