

## 20/20 VISION

“ Food and drink manufacturing is a Great British success story. The largest manufacturing sector, it has also demonstrated resilience and resolve to grow and adapt. This has not been easy. We understand that businesses have had to dig deep to reduce costs and become more efficient, as well as to cope with a range of external factors including extreme volatility in commodity prices.

“ With the right entrepreneurial approach on the part of business and a genuine partnership between Government and industry, we believe that food and drink manufacturing can achieve 20% growth by 2020. A number of initiatives are already in place. Over the next few months we will build on this to maximise our sector’s ability to grow, and minimise the barriers that stand in our way. This is our 20/20 vision.”

**Jim Moseley, FDF President**  
Managing Director, General Mills UK Ltd

“ I am delighted to be involved in the FDF’s work to develop our ambitious vision for sustainable growth in food and drink manufacturing in the UK. There is no doubt that our industry has the potential to grow in the years ahead. Now we must partner with Government to create the necessary regulatory framework, encourage innovation, invest in skills, and increase UK exports. By working together we can deliver 20% growth by 2020.”

**Paul Grimwood, FDF Deputy President,**  
Chairman & CEO, Nestle UK & Ireland

“ From day one as Secretary of State I have made it clear that Defra is an economic department. This vision for the food and drink industry sets out a shared ambition to deliver impressive growth by our largest manufacturing sector - an industry which is also vital in ensuring the UK’s food security. This must not be growth at any cost. I am particularly pleased that alongside our shared vision for growth, FDF has published the latest progress report on its ground-breaking Five-fold Environmental Ambition. That report demonstrates impressive progress and shows that the food and drink industry has yet again been able to grow whilst reducing the impacts of food production. With sustainability firmly embedded in UK food manufacturing businesses I am delighted that Defra will be working even more closely with FDF towards our shared 20/20 vision for sustainable growth.”

**Caroline Spelman, Secretary of State for Environment,**  
Food and Rural Affairs

“ There is huge potential for growth in the food and drink sector. I welcome the industry’s ambition to grow their sector by 20% by 2020 and ensure that food and drink manufacturing in Britain has a bright future.”

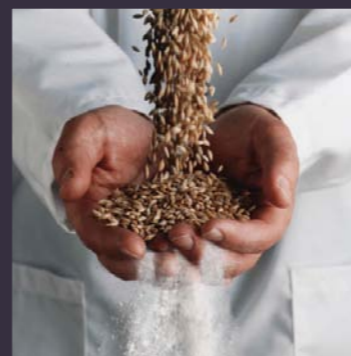
**Mark Prisk, Business Minister,**  
Department for Business, Innovation and Skills

## THE UK FOOD AND DRINK INDUSTRY: A 20/20 VISION FOR GROWTH

### About Us

The Food and Drink Federation is the voice of the UK food and drink industry, the largest manufacturing sector in the country.

Our sector directly employs up to 400,000 people, and as many as 1.2 million in ancillary services; it accounts for 15% of the UK’s total manufacturing sector by value; and it is an invaluable partner to British agriculture, buying two thirds of what farmers produce. Our membership comprises manufacturers of all sizes as well as trade associations dealing with specific sectors of the industry.



## THE UK FOOD AND DRINK INDUSTRY: A 20/20 VISION FOR GROWTH



## A GREAT BRITISH SUCCESS STORY

### OUR PERFORMANCE

- Food and drink is the largest manufacturing sector in the UK with a turnover of £76.2bn and we contribute £20.9bn in Gross Value Added
- We have continued to grow throughout the economic downturn
- We are the key link in a world-class highly efficient food chain
- We buy 2/3 of what UK farmers produce
- Exports of food and non-alcoholic drink will pass £11 bn in 2011 and have grown in each of the last six years

### OUR PEOPLE

- We employ up to 400,000 people right across the UK
- We recruit at all levels from school leavers with few or no qualifications right through to highly qualified postgraduates

- 38% of those working in food manufacturing are qualified to A-Level or above. 20% are educated to degree level
- 94% of employees are full time
- Our productivity per employee has grown steadily (4.7% during 2003-2008)

### OUR BUSINESSES

- We produce great tasting food with many of our leading brands much-loved household names
- We are world-class in product quality, branding and new product development
- We create around 8,500 new products each year – leading the way in areas such as the rising global demand for healthier products
- We are reducing our impact on the planet through our Five-fold Environmental Ambition

## DELIVERING SUSTAINABLE GROWTH

Our shared vision for the UK food and drink industry is to deliver sustainable growth of 20% by 2020. To achieve it we need:

### OUR PERFORMANCE

- A shared strategy to deliver sustainable growth and food security
- A competitive business and tax environment to attract investment
- To support the SMEs who are the backbone of our sector
- To improve productivity and strip out unnecessary costs

### OUR PEOPLE

- To attract the best talent to our industry through an efficient pipeline delivering employment-ready individuals
- To retain and develop our workforce

### OUR BUSINESSES

- To stay world-class in product and process innovation
- To be proactive in responding to key societal challenges such as obesity and climate change

There is every opportunity for the UK food and drink industry to grow sustainably:

### 5 KEY ADVANTAGES

- **Our product quality**
- **Our brands**
- **Our innovation**
- **Our efficiency and productivity**
- **Growing demand for our products**

- Population growth will drive demand at home and abroad. The global population is predicted to reach 9bn by 2050 and the UK population to rise to over 71m by 2030
- Changing dietary patterns will drive demand for value added products in developing markets and health and wellbeing products with an ageing population
- British products are reputable in key markets and we have strong global food and drink brands
- Our fiercely competitive domestic market drives innovation and value for consumers
- We have efficient supply chains, low waste and high levels of regulatory compliance

## WORKING TOGETHER TO OVERCOME CHALLENGES

Research commissioned by FDF from Grant Thornton highlights significant challenges to growth:

### Competing in global markets

- Our international competitors see export as their main route to grow and they have aggressive state-backed plans to increase their market share in many of our target markets

### Attracting and retaining talent

- We will need at least 137,000 new recruits in the next five years and face significant skills shortages in essential disciplines

### A competitive UK business environment

- Increasingly volatile and in some cases artificially high commodity prices make it difficult to plan and erode margins
- Our SMEs find it difficult to access bank finance and existing Government incentive schemes, and to develop their export potential

### Reducing the burden of regulation

- The UK's regulatory and tax systems are acting as brakes on inward investment

We are already taking action to overcome these challenges:

- A new Food and Drink Export Forum co-chaired by Food and Farming Minister Jim Paice and FDF Deputy President Paul Grimwood is developing a strategy to drive forward food and drink export growth
- UK food and drink will be showcased as part of the London 2012 Olympics
- The Government will introduce legislation to introduce an Adjudicator to enforce the Groceries Supply Code of Practice, to support the fair operation of the food chain
- FDF members have committed to double the number of apprentices in the food and drink industry by the end of 2012, offering specific help to SMEs
- FDF's careers campaign, Taste Success – A Future in Food and our schools programme in Scotland are tackling negative perceptions of our industry
- The Government has awarded almost £1.7m to the food and drink industry to deliver an action plan to up-skill our existing workers and attract new recruits
- FDF members have committed to a Graduate Ambition with the development of an industry sponsored technical degree course offering work experience, internships and the potential for full-time employment at the end of the course
- 29 FDF members have signed the Public Health Responsibility Deal and we are committed to working in partnership with Government and others to help individuals lead healthier lives
- Through our Fivefold Environmental Ambition we have cut CO2 emissions by 25% since 1990, saved water, halved waste to landfill, reduced packaging and made our transport more efficient, while still delivering increased output

