



Transport efficiency
making a real difference

Food and Drink
Federation



Making a real difference

Few people in modern societies are self-sufficient in food and drink. It is generally provided on a commercial scale and transported from plough to plate within a globally competitive market.

Transporting food and drink, like all other goods, has environmental and social impacts. Research on the UK food chain shows these overwhelmingly as the impacts of road congestion, damage to infrastructure, and road accidents. There are also impacts on air and noise pollution and CO₂ emissions, though to a much lesser extent.

Last October, FDF launched our Five-fold Environmental Ambition. We committed to make a significant contribution to improving the environment by targeting priorities where our members can make the biggest difference.

Under this, and dovetailing with IGD's work on greater transport collaboration across the food chain, FDF promised to develop an environmental checklist to encourage our members to achieve fewer and friendlier food miles. We also promised to develop an environmental clause, for use by our members in contracts as they fall for renewal. This would ask third party hauliers to publish a fewer and friendlier food miles manifesto and to report annually on their environmental performance.

We are pleased that about 40 FDF member companies with a combined turnover of over £16 bn have signed up to the checklist on day one. The vast majority use third party contractors and so will be applying the environmental clause.

FDF applauds the continued leadership being shown by members on this important agenda - the impact of which is best brought alive by the case studies included in this pack. By achieving 'fewer and friendlier' food transport miles, members will contribute to the challenge thrown down in the Food Industry Sustainability Strategy for the food chain to reduce its environmental and social impacts by 20% by 2012 compared to 2002.

Step by step, and working collectively, we are pleased that FDF members are making a difference to the environment - both now and for the future.



Fiona Dawson

Managing Director, Mars UK

Chair, FDF Sustainability and
Competitiveness Steering Group



Callton Young OBE

Sustainability and Competitiveness Director

Food and Drink Federation



Our five-fold ambition

Food and Drink Federation members are committed to making a significant contribution to improving the environment by targeting priorities where they can make the biggest difference. Working collectively, our five-fold ambition is to:

- Achieve a 20% absolute reduction in CO₂ emissions by 2010 compared to 1990¹ and to show leadership nationally and internationally by aspiring to a 30% reduction in CO₂ emissions by 2020
- Send zero food and packaging waste to landfill from 2015
- Make a significant contribution to WRAP's work to achieve an absolute reduction (340,000 tonnes) in the level of packaging reaching households by 2010 compared to 2005 and provide more advice to consumers on how best to recycle or otherwise recover used packaging
- Achieve significant reductions in water use² to help reduce stress on the nation's water supplies and contribute to an industry-wide absolute target³ to reduce water use by 20% by 2020 compared to 2007
- Embed environmental standards in our transport practices, including contracts with hauliers as they fall for renewal, to achieve fewer and friendlier food transport miles and contribute to an absolute target for the food chain to reduce its environmental and social impacts by 20% by 2012 compared to 2002⁴

¹Proposed in the Food Industry Sustainability Strategy published by Defra in 2006.

²Water use outside of that embedded in products themselves.

³Proposed in the Food Industry Sustainability Strategy published by Defra in 2006.

⁴Proposed in the Food Industry Sustainability Strategy published by Defra in 2006.

Our Commitment



FDF's 10 Point Checklist for Greener Food Transport

FDF members are committed to embedding environmental standards in their food transport practices, including contracts with hauliers as they fall for renewal, to achieve 'fewer and friendlier' food transport miles.

FDF has developed the 10 Point Checklist for Greener Food Transport (overleaf) to help members achieve this goal. Its adoption will also enable members to contribute to a UK food chain¹ target to reduce the environmental and social costs of its domestic food transportation by 20% by 2012 compared to 2002.²

The Role of FDF Members

FDF member companies (Annex) signing up to use the 10 Point Checklist for Greener Food Transport agree to use it as a review aid in relation to their own fleets or, as in most cases, to embed its principles at the heart of their relationships with third party road hauliers.

Those signing in respect of their relations with third party hauliers agree, as contracts fall for renewal, to introduce a draft environmental clause (overleaf). This will require a haulier to:

- Develop and publish a fewer and friendlier food transport miles manifesto which shows how the company will operate to reduce the environmental and social impact of its transportation of food and drink;
- Provide qualitative annual reports to the food manufacturer (which could be shared and used by FDF) to demonstrate progress regarding fewer and friendlier food transport miles.

The Role of FDF

FDF will collate the annual reports submitted by hauliers to signatory companies to illustrate the collective impact of FDF's policy on greener food transport and to supplement the quantitative data which Defra already publishes annually to show progress across the food chain as a whole.

FDF will continue to work closely with IGD's Efficient Consumer Response Programme to achieve greater transport collaboration and improved distribution across the food chain as a whole, dovetailing our work with theirs to ensure consistency and to avoid duplication.

¹ Beyond primary production, e.g. the farmgate, ports

² Proposed in the Food Industry Sustainability Strategy published by Defra in 2006

Checklist & Clause

Checklist

- i. What is my/your company's policy on **maximising vehicle loading** whether through the use of double decks for lower density loads or running at maximum gross weight for higher density?
- ii. What is the **ratio of trailers to tractors** across my/your fleet given that a high ratio can help reduce waiting times and lead to less trucks on the road?
- iii. What is my/your company's fleet replacement policy and how long will it be before all vehicles in the fleet are ones which **comply with the latest EU emissions regulations**, e.g. EU IV & EU V?
- iv. What use do my/your company make of **vehicle tracking technology** (i.e. computerised vehicle routing and scheduling including satellite tracking) to minimise environmental impact?
- v. Does my/your company record **empty running** and, in turn, **collaborate with others**, including by sub contracting, to try and reduce it?
- vi. What **'lanes'** does my/your company currently operate on and are there any which we/you consistently or occasionally avoid due to higher environmental impacts? Does my/your company record and avoid **difficult drop points**, which cause most delay and/or failed deliveries?
- vii. What proportion of my/your company's current annual mileage/tonnage moved is by **rail and/or ship** and what is its policy on increasing such transport usage?
- viii. Does my/your company encourage, through its own volition or through **participation in industry fora**, innovation and best practice in for example development of more efficient vehicle design (including through use of 'aero kits'), alternative fuels, lubricants, refrigerants and tyres produced without high aromatic extender oils in the rubber matrix?
- ix. What are my/your company's policies on **training its drivers** to reduce environmental impact through better driving practice?
- x. What are my/your company's policies on **vehicle maintenance** and the retention of correct **tyre pressures** given their relevance to fuel efficiency? Where refrigerated transport is used this should include maintenance of equipment and insulation to prevent and minimise leakage of refrigerants.

Draft Environmental Clause

The Carrier undertakes to the Customer that it shall:

(a) within [] months of the commencement of the Services develop, publish and provide the Customer with a copy of a "fewer and friendlier" food transport miles manifesto which sets out how the Carrier will operate to reduce the environmental and social impact of its food transport ("the Manifesto"). The Manifesto should take into account the "10 point checklist for greener food transport" published by the Food and Drink Federation ("FDF") which can be found at www.fdf.org.uk and should incorporate identified targets for improvements in specified timescales; and

(b) once a year during the term of the Contract, within [] of written request by the Customer, provide to the Customer a qualitative written report on the Carrier's progress against the objectives and targets set out in the Manifesto (in particular, identifying where progress has been achieved through the following: greater capacity vehicles, engine specifications, vehicle telematics, transport collaboration, logistics system redesign and modal shift from road to rail or shipping), which report the Carrier hereby agrees may be disclosed by the Customer to the FDF for the purposes of compilation of a consolidated report on progress in the greener food transport initiative across the FDF membership which may be published by the FDF, provided that results shown will not be attributed to individual Carriers by name without their prior consent.

Our first signatories



Mark Antonelli
Director, Sales & Marketing
Antonelli Bros Ltd



Alistair Salvesen
Chairman, Dawnfresh
Seafoods Ltd



Paul Freeston
Chief Executive, apetito UK



Malachy McReynolds
Managing Director
Elizabeth Shaw Ltd



John Sutcliffe
Chief Executive - Grocery
Associated British Foods plc



Jim Moseley
Managing Director,
General Mills UK Ltd



Martin Glenn
Chief Executive,
Birds Eye Iglo



Graham Neale
General Manager & Vice
President - Nutritional Healthcare
UK GlaxoSmithKline



Paul Moody
Chief Executive, Britvic



Greg Peterson
Managing Director
Kellogg Marketing & Sales Co



Paul Kitchener
Chief Executive,
Burton's Food Ltd



Nick Bunker
VP and Managing Director
Kraft Foods UK and Ireland



Todd Stitzer
Chief Executive,
Cadbury Schweppes



James Macsween
Director, Macsween
of Edinburgh



Alistair Salvesen
Chairman,
Daniels Sweet Herring



Fiona Dawson
Managing Director
Mars UK



Arnaud Montagnes
Supply Chain Director
Danone Waters (UK & Ireland) Ltd



Nick Vermont
Regional CEO
McCain Foods (GB) Ltd

Our first signatories



Alastair Sykes

Alastair Sykes
Chairman, Nestlé UK



Dave Lewis

Dave Lewis
Chairman Unilever UK Ltd



Jason Kelly

Jason Kelly
Director Operations - Europe
Newly Weds Foods



Geoff Eaton

Geoff Eaton
Chief Executive, Uniq plc



Peter Franks

Peter Franks
Managing Director
(Chilled & Frozen),
Dr Oetker UK Ltd



David Fish

David Fish
Executive Chairman
United Biscuits



Salman Amin

Salman Amin
President, PepsiCo UK



Milan Shah

Milan Shah
Director, Virani Food
Products Ltd



Robert Schofield

Robert Schofield
Chief Executive
Premier Foods



Ross Warburton

Ross Warburton MBE
Executive Director
Warburtons Ltd



James Cooper

James Cooper
Director, Ripon Select Foods Ltd



Ken Wood

Ken Wood
Chief Executive Officer
Weetabix Ltd



Julie Baker
Managing Director
Sara Lee Coffee & Tea, UK



Norman Soutar

Norman Soutar
Managing Director,
William Jackson Food Group



Alistair Salvesen
Chairman,
R.R Spinks and Son



Gharry Eccles

Gharry Eccles
Managing Director
The Wrigley Company



Alistair Salvesen
Chairman,
Scot Trout Ltd



Andrew Nash

Andrew Nash
Sales Director, Yakult UK Ltd



Iain Ferguson

Iain Ferguson CBE
Chief Executive
Tate & Lyle PLC



Mike Parker

Mike Parker
Deputy Chief Executive
Young's Seafood Ltd

Message from Department for Transport

Dear Members of the Food and Drink Federation

Thank you for inviting me to your Summer Reception on 15 July.

Protecting the environment and developing sustainable transport systems, especially where distribution is concerned, are very topical issues and especially important for us at the Department for Transport. I was therefore pleased to read about the Federation's 'Five-Fold Environmental Ambition', and I welcome its clear and ambitious targets for making a real difference to the environment across members' business operations.

In particular I welcome its goal for 'fewer and friendlier' food transport miles, which shows commitment to a transport policy that delivers economic growth and lower carbon emissions, and reflects our own policy.

In March 2007 many food and drink fleets - including several from among your members - participated in the Department's food and drink sector benchmarking survey, leading to a newly published Benchmarking Guide. I hope you will be able to take part in our next survey planned for March 2009. Such benchmarking of operational performance can improve efficiency gains across the sector as well as helping FDF members to achieve their ambition for greener food transport.

I recognise the strong leadership and commitment being shown and I wish the Federation and its members every success delivering against their 'Five-fold Environmental Ambition'.



Jim Fitzpatrick MP
Department for Transport



Messages of support



“This is a welcome step by the Food and Drink Federation to address the impact of food distribution. Climate change is the most urgent challenge we face, and food transport emissions have actually been rising in recent years. We look forward to the FDF building on this initiative with quantitative targets, and to the wider industry helping hauliers achieve them by finding ways to reduce the distances food has to travel.”

Rupert Fausset, Forum for the Future

“Cutting greenhouse gas emissions from food distribution makes environmental and economic sense. If we want to move towards a low carbon society we must switch to more energy efficient transport systems and make better use of our rail network.”

Vicki Hird, Friends of the Earth

Case Studies



Tate & Lyle

Tate & Lyle is committed to achieving fewer and friendlier food transport miles and has moved quickly to embed FDF's environmental clause for greener food transport in its contract with its third party haulier managing its UK bulk distribution.

Tate & Lyle's transport strategy places priority on its haulier using vehicles which meet the latest EU engine standards and on the achievement of improved fuel efficiency.

In particular, the company aims to achieve a significant reduction in road miles by shifting its bulk sugar distribution between its refinery in Silvertown East London and Glasgow from road to rail freight.

Tate & Lyle expects this change, begun in April 2008, to save about 2,500 long distance lorry movements per year and over 1.6m road miles per year.

To improve the model further, Tate & Lyle is working with the rail provider to establish an extended rail service from July 2008 running from Barking. This location is preferable as it is only six miles from the Thames Cane Sugar Refinery and avoids the need to send containers by road to Daventry, which acts as the existing railhead to support the operation.

When up and running the extended rail service is expected to increase the company's road to rail savings to 2.1m road miles per year.



Case Studies

Mars UK

Mars UK is achieving significantly fewer and friendlier transport miles by maximising load fill of delivery trucks, minimising journey distances, working with hauliers to implement environmental best practice and using rail rather than road wherever possible.

Mars UK's petfood, snackfood and main meal products each require different strategies to minimise food transport miles. For example, imports are a significant characteristic of the petfood business. By shifting production from continental Europe to facilities within the UK, the company will reduce its food import food miles by 17% by 2008.

Warehousing is being reorganised from the beginning of 2008 to take a mix of products. This will enable consolidated deliveries of petfood, snackfood and mainmeal products thereby improving truck fill. This will save over 500,000 food miles per year.

On a smaller scale, Mars UK uses a dedicated rail service for some of its products. This mode of transport produces only 10% of the greenhouse gases of transporting the same load a similar distance by lorry.

Overall, Mars UK's greener transport commitment will save 606,000 food transport miles per year – and over 25,000 tonnes of CO₂ within the first 5 years starting from 2006.

Danone Waters UK

Danone Waters UK is embedding environmental standards at the heart of its food distribution network and is expected to achieve up to a 14% reduction in CO₂ emissions over three years ending winter 2008.

Danone Waters UK is the sole distributor of mineral water and other products made by its parent company, Danone Eaux France. The UK company established a network profile for its transport routes between its factories and warehouses; and between its warehouses and customers. This included calculating the CO₂ emissions in respect of both legs. This analysis informed the company's policy on fewer and friendlier food transport miles.

"Modal Shift" is central to Danone's strategy – moving as much freight as possible away from roads onto rail and water, given their relative environmental advantages. To optimise the potential rail and sea advantages, Danone opened a strategically placed warehouse in Zeebrugge. In addition, it introduced better stock control management to minimise the use of road freight. It is also using more UK ports than before in order to land goods at the point closest to its customers nationwide.

Danone Waters UK estimates that by the end of 2008 rail use will make up 83% of its food transport miles between factories and warehouses; and 52% for the next leg between its warehouses and customers. This is up from 24% and 30% respectively compared to 2005.

Case Studies

Cadbury

Cadbury is achieving fewer and friendlier food transport miles following a review of its UK food distribution to embed environmental best practice and reduce operating costs.

Five years ago Cadbury's UK food distribution was based upon 15 warehouses spread across the UK and an in-house fleet of over 60 vehicles covering 90% of their radial deliveries, backed up by contracts with 63 third-party hauliers - who handled the company's full load transport movements.

Today all of the company's food distribution is carried out by just 5 hand picked third party hauliers and storage principally confined to three strategically placed warehouses.

By outsourcing all of its haulage and rationalising its warehousing, Cadbury's expects to reduce distribution movements for its products to about 65,000 in 2008 - compared to 142,000 in 2002 - and avoid 4.7m road miles.

In addition, the company will save 7,500 tonnes of CO₂, just under half of which comes from reduced lorry movements between its warehouses. It will also save 15% on its haulage costs.

United Biscuits

United Biscuits (UB) is achieving fewer and friendlier food transport miles under its '*Green is Lean and Lean is Green*' transport strategy.

The company has placed improved transport network design and vehicle utilisation, aided by satellite tracking systems and driver training, at its heart.

Backhauling by UB's fleet is another key facet, to ensure that vehicles are utilised on return legs to company sites. The company's efforts in this area have proved 100% successful and are expected to earn it net revenues of over £1m in 2008 - proving that 'green' really is 'lean'.

Overall, UB's strategy helped it to avoid 2.7m road miles (16%) in 2007 compared to 2005, reduce empty running of its vehicles from 21% to 15% and increase vehicle fill by an average of 11%.

Cumulatively, the strategy should save about 4,700 tonnes in CO₂ emissions by the end of 2008, some of which (11%) will come from the company's adoption a 30% bio-diesel mix in its vehicles made from reusing waste oils from its manufacturing sites.

Case Studies

General Mills

General Mills' strategy is to transport products coming from its two manufacturing plants in Southern France and Northern Spain to the UK as much as possible by sea. Defra research published in 2005 shows sea freight is amongst the most efficient modes of transport in terms of its environmental and social impacts.

By 2007, 80% of General Mill's shipments to the UK were by sea. This has helped to avoid 2,700 lorry movements in 2007 and over 2m road miles.

When goods are distributed by road, including around the UK, General Mills maximises vehicle fill by stacking all light products as high as possible and only reducing the pallet height at the last stage of the journey in line with customer specifications. By maximising vehicle fill, the company is saving about 270 vehicle movements per year and about 230,000 road miles.

General Mills also seeks to use only those third party hauliers and logistics experts who can consolidate deliveries across a number of manufacturers to increase vehicle utilisation, reduce mileage per delivery and reduce empty running. General Mills also takes a pro-active approach with retailers in order to develop consolidated multi-supplier deliveries.

McCains

Over the last 7 years McCain Foods has actively sought ways to increase the efficiency of its distribution operations through carefully planned journey scheduling.

To reduce the number of journeys from farm to factory, McCain actively encourages its network of around 300 potato growers across the UK to form collaborative groups where they can benefit from shared transport and other resource efficiencies.

To improve the efficiency of deliveries to McCain's Whittlesey plant, haulage has been consolidated under a single third party contract. Similarly, distribution of finished product to external depots and increasingly, direct to store, is now managed by only two third party hauliers.

McCain's main contractors use double deck trucks which hold up to 41 pallets, rather than the normal 26, and significantly reduce the number of journeys made each year.

In the five years to 2006 McCain's approach has helped to avoid over 2,000 vehicle movements per year, about 15% to 20% of the total number of vehicle movements used to distribute the company's products.