

July 2009

TheVoice

FDF: Speaking for the food and drink manufacturing industry

FDF's new report highlights the food sector's recipe for change

The economic downturn has not created a 'health crunch' when it comes to new product innovation, suggests research conducted for the Food and Drink Federation by independent consultancy Mintel.

Based on its tracking of all new product launches in the UK, Mintel has discovered that nearly 250 reformulated products were launched in the first six months of this year – equivalent to the same period in 2008. Mintel's research also suggests that sales of healthier eating options in key categories are now worth £8bn a year.

The research is contained in a new report – 'Recipe for Change' – which describes how the food and drink sector is developing new products, and refreshing old favourites, so that they are lower in fat, salt or calories.

FDF Director General Melanie Leech said: "The recession is clearly forcing companies to reprioritise their investment decisions, and Government does need to be realistic about the pace at which they can be expected to keep delivering new innovations. Nevertheless, our report clearly shows that our members remain totally committed to reformulation."

EU rules will undermine reformulation efforts

Manufacturers are urging the Government to prevent an EU Regulation undermining the development of reformulated food and drink products.

From January it will be illegal to tell consumers when brands do not contain added salt or call products 'extra light'. Such messages – and the recipe innovations that underpin them – support Government policy and help industry communicate achievements.

They will no longer be permitted under the scope of the EU Nutrition and Health Claims Regulation – unless the relevant parts of the Regulation are amended as a matter of urgency or the transition period is extended to allow time for it to be changed.

Food security: hot topic for debate at our fringe events

FDF is running fringe events at both the Labour and the Conservative Party Conferences this year, teaming up with the National Farmers' Union and British Retail Consortium to offer an industry perspective on the food security debate.

Titled 'Food for thought: Can the UK continue to feed itself?' the fringes will be run in a Question Time format to allow an open debate with the audience.

Our fringe at the Labour Conference takes place on Tuesday 29 September in the Promenade Room in the Thistle Hotel at 1230. Our Conservative Party fringe will take place on Tuesday 6 October at 0800 in Exchange Room 2&3, Manchester Central.

At the Liberal Democrat conference, we are supporting an NFU event discussing the food security issue – this will take place on Monday 21 September in the St Malo and Monet suites at the Trouville Hotel from 1830.

Please get in touch if you would like more information about any of these events.

www.fdf.org.uk

If you want information about anything in this newsletter, please call Abigail Cross on 020 7420 7127

Food and Drink
Federation



Making a real difference

Industry welcomes launch of Scottish national food policy

Industry has welcomed the launch of the first Scottish national food and drink policy, which was unveiled at the Royal Highland Show by Rural Affairs and Environment Minister Richard Lochhead MSP.

The Scottish Food and Drink Federation looks forward to working closely with the Scottish Government to shape the emerging strategy.

SFDF Director Flora Mclean said: “The issues facing our industry are complex and so there is a strong imperative to strike the right balance between economic, environmental and social factors to ensure we don’t undermine the underlying competitiveness of businesses.

“Our industry is a vital component of a healthy Scottish economy and the process of developing a national food and drink policy for Scotland has highlighted the critical strategic importance of our sector.”

How FDF works for its members

The Food and Drink Federation speaks on behalf of one of the most important manufacturing sectors in the country, directly employing almost 440,000 people.

In promoting and protecting the interests of our members, FDF is focusing on the issues that matter most to their businesses and to the consumers the industry serves:

- Food Safety and Science
- Health and Wellbeing
- Sustainability and Competitiveness

Our front cover picture was taken at the Harlesden factory of United Biscuits, a member company for more than 10 years.

UK food and drink exports at record levels, says new study

The vital contribution that the food and drink manufacturing industry makes to the economy is being recognised by Members of Parliament, who are signing EDM 1715 which praises the efforts of UK exporters.

The EDM has six co-sponsors – James Paice MP, Philip Davies MP, Tim Farron MP, Roger Williams MP, Mark Todd MP and John Grogan MP – and cross party support for the motion is growing.



Booming biscuit exports: FDF member United Biscuits is one company generating strong overseas sales

A new study commissioned by FDF reveals that exports of food and non-alcoholic drinks were worth £9.23bn in 2008, up 20% in value terms on the year before. When alcoholic beverages – notably Scotch Whisky – are included, exports hit £13.6bn.

Star performers included biscuits (up 15.3%); breakfast cereals (up 12.5%); cakes (up 12%); cheese (up 16.7%); chocolate (up 10.9%); sauces and condiments (up 21%); soft drinks (up 34.6%); and tea (up 14.3%). Together, exports of these added value products were worth almost £1.9bn.

The overall performance was also boosted by a buoyant red meat sector, recovering after the lifting of foot and mouth restrictions; strong exports of commodity cereals; and another strong year for fish and seafood companies who recorded overseas sales worth £1bn, despite tough market conditions. Central Europe is one of the standout regions for exports, with growth fuelled by the demand for a wide range of UK food and drink products in the former Eastern Bloc countries.

Melanie Leech, FDF Director General, said: “Amid all the economic gloom, this is a genuine ‘good news’ story. UK food and drink manufacturers have built a strong international reputation for quality and innovation over many years – and it’s clear that our sector continues to perform strongly on the export stage, despite challenging global circumstances. These figures are a timely reminder of the important economic contribution made by the UK’s biggest manufacturing sector.”

Top 10 fastest growing export markets

1.	Bulgaria	up 160.6%
2.	Hungary	up 74.3%
3.	Croatia	up 72.4%
4.	Denmark	up 69.7%
5.	Norway	up 61.1%
6.	Abu Dhabi	up 60.5%
7.	Vietnam	up 56.5%
8.	Poland	up 53.6%
9.	Nigeria	up 53.1%
10.	Jordan	up 52.8%

Biggest export products

1.	Chocolate	£360.7m
2.	Breakfast cereals	£352.9m
3.	Cheese	£281.5m
4.	Lamb	£263.0m
5.	Fresh fish	£241.1m
6.	Crustaceans	£238.4m
7.	Poultry	£215.1m
8.	Beef	£212.7m
9.	Biscuits	£203.9m
10.	Milk & cream	£203.0m

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