

May 2011



TheVoice

FDF: Speaking for the food and drink manufacturing industry

Food and drink exports pass £10 billion mark

UK food and drink (non-alcoholic) exports grew for the sixth year in succession and passed the £10 billion mark for the first time in 2010. Export figures showed a strong 11.4% increase on 2009 figures, bringing in a total of £10.83 billion, and highlighted healthy emerging markets amongst non-EU countries.

Amongst the highest performing sectors were dairy (up 24.6% to £977.1m), fish and seafood (up 13.8% to £1,326.9m), meat (+11.7% to £1458.9m), prepared foods including soups, sauces and ice creams (+10.3% to £2,591.8m) and cereals and bakery (+8.1% to £2,079.2m).

Ireland remains the principal importer of UK products followed by France, the Netherlands, Germany and Spain. Strong performance was also recorded in Hong Kong (+36.3%), the US (+28.9%) and the United Arab Emirates (+22.7%). Highly encouraging has been the growth of new markets, including South Africa, China and Israel.

Food and drink manufacturers report strong growth at home and abroad

The latest Food and Drink Federation business confidence survey (quarter four Oct-Dec 2010) gives a positive picture with sales up at the end of last year and expected to continue to rise in 2011. Short term expenditure by companies increased marginally at the end of last year but there is more optimism for 2011 with 39% expecting to increase levels of investment in 2011 compared to 2010 and only 15% expecting their investment spend to fall.

Earlier warnings of price increases have come to fruition with 82% of respondents expecting rises during early 2011 in response to increasing costs of commodities such as wheat, corn and cocoa. The combined effect of rising commodity, energy and fuel prices are hitting manufacturers hard with 76% experiencing higher average costs in Q4 – a 27% increase on Q3 – resulting in just over half of respondents in Q4 increasing their product prices.

CAP reform – an opportunity for sustainable food production

Commenting on the recent publication of the Environment, Food and Rural Affairs Committee report on the Common Agricultural Policy (CAP) after 2013, Andrew Kuyk, Director of Sustainability at the Food and Drink Federation said:

“We believe there is a major opportunity to put sustainable food production at the heart of CAP reform in order to meet the twin challenges of future food security and climate change. This means building on the best of both pillars of the existing CAP to produce more, from less and with less environmental impact. We also need policies which address the food chain as a whole, within a consistent and coherent strategic framework – as called for in the recent Foresight report.”

FDF members are committed to reducing our environmental impact. We believe that sustainable food production should be the key objective of the Commission's forthcoming proposals.

www.fdf.org.uk

If you want information about anything in this newsletter, please call Selga Speakman-Brown on 020 7420 7127

Food and Drink
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SFDF Westminster dinner for Scottish MPs

The Scottish Food and Drink Federation (SFDF) held its Parliamentary dinner on 29 March. This annual event provides an excellent opportunity for SFDF to discuss priorities for the industry in Scotland with local MPs.

This year the discussion centred around the competitiveness of our sector; Government's role in helping to halt the rise in costs, especially fuel duty; the proposed Groceries Code Adjudicator; and the importance of ensuring the industry is seen as a career destination of choice.

This final point of discussion was particularly relevant as both FDF and SFDF are prioritising skills and careers this year, FDF launching the 'Taste Success' careers campaign and SFDF developing the 'Future in Food' schools programme. SFDF also launched its manifesto at the dinner.

Save the date:

FDF Annual Parliamentary Reception

Tuesday 12 July 2011
16:00 – 18:00

Members' Dining Room

Join us to find out more about FDF's recently launched careers campaign 'Taste success – A Future in Food' which highlights that the UK food and drink manufacturing sector is a career of first choice with an exciting range of opportunities.

RSVP to parliament@fdf.org.uk
or 020 7420 7127

Our front cover picture was taken at Warburtons, an FDF member since 2002

FDF responds to European vote on Food Information Proposal

On 19 April, MEPs in the Environment, Public Health and Food Safety (ENVI) Committee voted in the second reading of the proposal on food information to consumers.

MEPs voted to vastly extend the country of origin labelling to include all meat, milk and dairy products, fresh fruit and vegetables, other single-ingredient products, and meat and fish when used as an ingredient in processed foods. This creates concerns for the UK food and drink manufacturing industry as it fails to consider the call for an impact assessment to look into the added value this might bring to the consumer, as well as the feasibility, cost and practicability to implement such rules.

While MEPs have recognised that energy value could be repeated front-of-pack for consumers' benefit, this creates unnecessary duplication as the information for energy per 100g/100ml is already listed in the nutrient declaration (usually back-of-pack).

Responding to the ENVI Committee's vote, Terry Jones, Director of Communications at FDF said:

"The UK food manufacturing sector is well ahead of other EU states on labelling, and we are pleased with the outcome of MEPs' votes on some aspects of the proposal, namely: nutrition labelling, the exemptions granted for small packs and some aspects of the broader approach on legibility – despite moves to introduce a mandatory minimum font size.

"We will continue to work towards a pragmatic approach to ensure that food labels are not overcomplicated for the consumer, and, at the same time, that the final outcome presents a workable piece of legislation for food manufacturers, helping to promote the competitiveness of the UK's food and drink industry."



Terry Jones, Director of Communications at FDF

Food and Drink Manufacturing APPG – dates for your diary

The All-Party Parliamentary Food and Drink Manufacturing Group is pleased to confirm two new meeting dates for members and other parliamentarians keen to support and find out more about the food and drink manufacturing sector. These are in addition to the forthcoming visit to the Coca-Cola factory in Edmonton on 14 June and the AGM on 12 July.

On 13 September, the group will hold a joint breakfast event with the All-Party Parliamentary Retail Group. Then on 7 November, the group will host a dinner inviting small and medium food and drink manufacturing enterprises to come along and share their experiences. These events compliment the busy program for the group in 2011. For more information please visit the APPG website: www.appgfooddrink.org.uk

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