

# Ambition for Growth

Powering Productivity



# Introduction

The UK's food and drink industry is our largest manufacturing sector. It contributes **£42bn** in gross value added (GVA), employs almost half a million people in good jobs and exciting careers, and underpins food security in every nation and region of the UK. With a strong presence in communities everywhere, the scale and reach of the sector makes it uniquely placed to drive economic and productivity growth.

Emerging from another challenging year in 2025, food manufacturers have faced rising costs and new or changing policies and regulation. This makes us even more determined to seize untapped growth. Our sector is ambitious, and our plans for the next decade are for the UK to be recognised as the most dynamic and competitive place to start, grow, and invest in food and drink manufacturing by 2035. With the right partnership between government and industry, food and drink manufacturing can be a driving force in the UK's growth agenda.

**Vision: By 2035, the United Kingdom will be recognised as the most dynamic and competitive place to start, grow and invest in Food and Drink Manufacturing**

**We have ambitious plans for our sector over the next decade to:**



Double annual business investment from **£5.8bn** to **£12bn**



Grow exports to **£35bn**



Generate over **£50bn** in UK GVA by unlocking **£14bn** in tech adoption



Contribute to reducing carbon emissions by **50%** and drive a circular economy



Make the UK the **global hub** for healthier product innovation and R&D

To help realise these bold ambitions, government must act now to create a competitive, stable, and pro-investment business environment, delivering regulatory certainty, reducing costs, and targeting support to unlock productivity and innovation across seven key opportunity areas:

1

**Strengthen food security and meet sustainability goals**

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**Drive healthier food innovation and new product development**

3

**Make the UK a global hub for developing innovative ingredients and novel foods**

4

**Be a global leader in food manufacturing innovation and technology adoption**

5

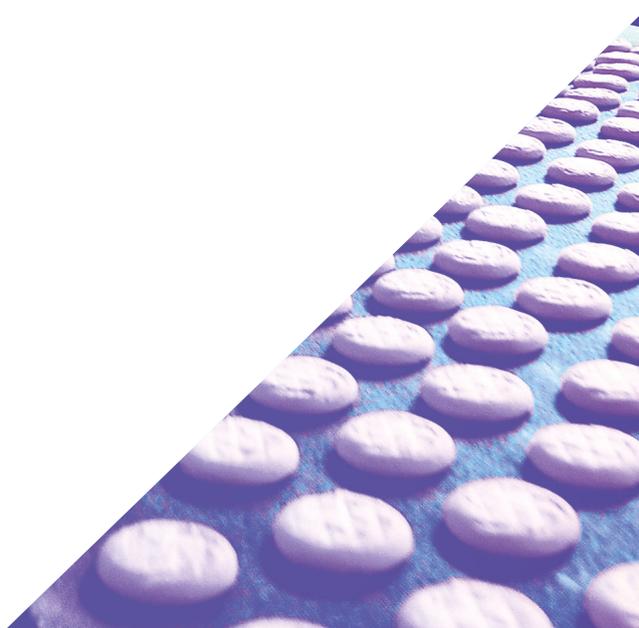
**Develop a highly skilled and productive workforce**

6

**Promote Great British exports and strengthen supply chain resilience**

7

**Create a proportionate and targeted regulatory framework**



# 1 Strengthen food security and meet sustainability goals

**Food security** is national security. We are one of the 13 key sectors that make up the UK's Critical National Infrastructure, essential for the country to function and upon which daily life depends. The food system is complex and global, but has remained resilient in the face of recent external challenges such as the Covid pandemic, Russia's invasion of Ukraine and global trade tensions.

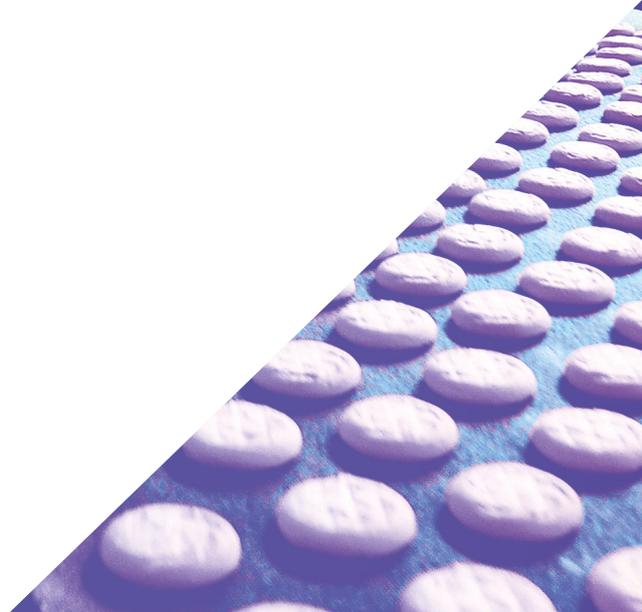
**The challenge of food security** is exemplified by the impacts of a changing climate. The food system must reduce greenhouse gas emissions and protect the natural environment to better adapt to shocks and changes. We have a key role to play in delivering net zero, nature restoration and a circular economy, while at the same time trying to keep our costs down.

For example, an industry-led Extended Producer Responsibility (EPR) programme and Deposit Return Scheme (DRS) will help enable the UK to recycle food packaging to a high enough standard so it can be used again for food and drink. Given the multi-billion pound investment from industry, it's vital that these initiatives are led by producers to ensure value for money.

**To strengthen the UK's food security and resilience by creating a more sustainable food system, government should work with industry to:**

- 1.1** Extend the eligibility of the **British Industrial Competitiveness Scheme** to include the most energy intensive food and drink manufacturing sectors. This will strengthen the UK's food security, tackle long-term food price pressures and protect investment and jobs across the country.
- 1.2** Support manufacturing sites to decarbonise their onsite emissions by including **energy efficiency and fuel switching** in schemes such as Climate Change Agreements and new mechanisms such as a Targeted Energy Discount. This will help address the capital expenditure and operating expenditure gaps food and drink manufacturers face when electrifying industrial processes.
- 1.3** Co-create practical plans to **attract investment into the UK's recycling infrastructure**, create functioning domestic markets for recycled content, and help enable a circular economy for packaging materials so that they can be recycled back into food-grade packaging. This should include ensuring that money local authorities receive for EPR is invested in improving recycling capacity through enhanced, advanced infrastructure across the UK, making it easier for everyone to recycle.

- 1.4** Create the right incentives for **wider technology uptake to reduce food waste**, helping meet the UK's net zero target and strengthening food system resilience. Rapid, transformative reductions in food waste, alongside significant cost savings and increased surplus redistribution, are being delivered through the uptake of new technologies. For example, AI tools have been successfully piloted with food and drink manufacturers through Innovate UK's Bridge AI programme. Government should also ensure any new policy encourages food waste reduction, enabling practical, effective action rather than a duplicative reporting burden.
- 1.5** Work with industry to **bring more private investment into farming to restore nature and reduce emissions**. Government should co-design clear, long-term rules that give businesses the confidence to invest at scale in the sustainability and resilience of their supply chains. Industry is already developing baseline governance principles through the Nature Markets Dialogue, which government should support and embed. Government should also use the Nature-Positive Transition Pathways initiative to review regulation and policy, remove barriers to investment. This should be complemented by hands-on business support, including practical guidance, skills development, and sharing what works.



## 2 Drive healthier food innovation and new product development

Supporting the nation's health is a key priority for food and drink manufacturers. Companies continue to invest in healthier product development, with £180m invested in 2024 alone. As a result, our members' products now have 31% less salt, 30% less sugar and 24% fewer calories compared to 2015\*.

Building upon the 10 Year Health Plan for England and working in partnership, we can help to build a healthier future for consumers. To do this, we need to ensure that there's a stable regulatory environment to give businesses the confidence to continue investing in developing healthier products. Targeted initiatives can support businesses, particularly small and medium-sized ones, who often lack the resources and expertise to invest in innovation.

**To drive further progress in supporting healthier diets and encourage investment in healthier product innovation, government should engage with industry to:**

- 2.1 Maintain a stable regulatory environment and consistent goalposts** to give companies the certainty they need to invest in further healthier product innovation. For example, businesses have made substantial investments based on a clear, government-defined standard – the Nutrient Profile Model (NPM) – which was set out in legislation to restrict the promotion and advertising of food and drink high in fat, sugar or salt (HFSS), the most recent of which came into force in January 2026. Current evidence suggests these restrictions are beginning to have an impact – an evaluation from the University of Leeds in August 2025 found that, in the first year of restrictions, sales of less healthy products fell by 2 million per day. The recent announcement that the NPM could change has left companies – many of whom are mid-way through innovation or investment cycles – uncertain as to whether they should continue.
- 2.2 Deliver mandatory healthy food sales reporting across the whole food sector at pace** by working in collaboration with industry and other stakeholders to develop the underpinning metrics to support transparent data reporting. This will help measure company progress towards healthier food sales and will support the government's evaluation of the HFSS regulations.
- 2.3 Deliver a Reformulation for Health Programme across the UK** – at a cost of £4m per annum – to support SMEs with reformulation and healthier product innovation, based on the successful Scottish Government funded programme.
- 2.4 Deliver a new public health campaign** to provide positive, practical messaging to support people to achieve a healthy lifestyle. Collaborate with the broadest range of stakeholders – including food businesses, health charities, local authorities, retail and community enterprises – to deliver and amplify this campaign with holistic and consistent messaging to drive healthier choices in all communities.

\* FDF estimates that 50-60% of the industry's R&D spend, or £167m – £200m, was dedicated to healthier product innovation in 2024. Data from Kantar's Worldpanel for FDF member products in the GB Take Home Food & Drink market sales weighted average nutrient changes from 2015 – 2024.

## 3 Making the UK a global hub for developing innovative ingredients and novel foods

The UK is right to be proud of its high regulatory standards for food, protecting consumers and ensuring that they can enjoy safe food. With this solid foundation, we can create an environment for food innovation that positions the UK as a global leader in the development of innovative ingredients and novel foods.

Novel foods – defined as those that require pre-market authorisation from the Food Standards Agency (FSA) before sale, as they're not traditionally consumed in the UK – have significant growth potential. They can also potentially be more sustainable and improve national resilience. In the UK there are many start-ups working at the cutting edge of food science, using engineering biology to create new products. However, regulatory complexity could drive them away from the UK, taking their science, production and growth potential with them.

Recent research estimates that an ambitious approach, with increased investment in research and infrastructure, could create a **£9.8bn market for fermentation-made ingredients and its supply chain\***.

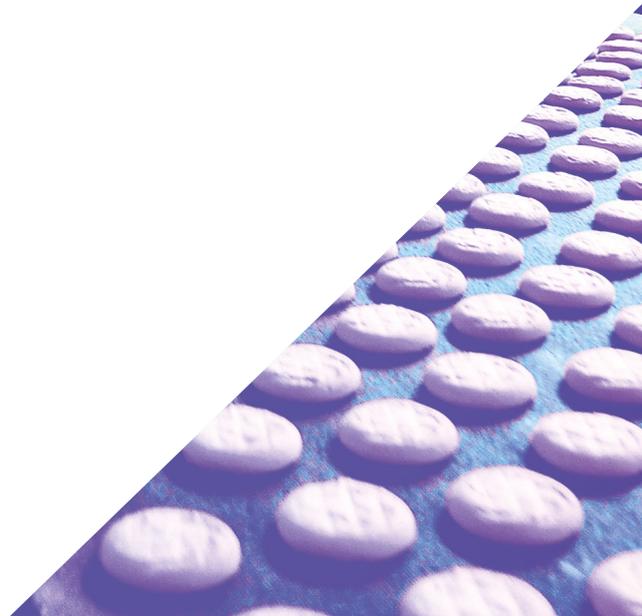
**To cement a leading role in innovative ingredients on the global stage, in partnership with industry, government should:**

**3.1 Safeguard the novel foods sector as part of the UK-EU Sanitary and Phytosanitary (SPS) Agreement** to ensure that any future agreement does not undermine the UK's ambition and potential to be a global leader in the development of innovative products and novel foods.

**3.2 Support the FSA in its ambition to be a world leading innovation regulator through appropriate funding and resourcing.** The FSA's business support service programmes help both start-ups and established businesses in the novel food sector. However, these have limited funds and short timelines. A well-funded and expert-led FSA will be able to provide best-in-class support for businesses pre and post-application process, as well as horizon scanning for potential new products and processes to support future market growth. The continued funding and resourcing of these key FSA workstreams will allow them to deliver faster market approvals helping the sector to grow, and will send a strong signal of the UK's openness to innovation.

\*Recent [research](#) estimates that an ambitious approach, with increased investment in research and infrastructure, could unlock a £5.9bn market for fermentation-made ingredients. If supply chain impacts are included (specialised & commodity inputs and production infrastructure), this rises to a potentially contribution of £9.8bn to the UK economy by 2050, with another £2.4bn in exports.

- 3.3 Support knowledge and resource sharing networks for novel food stakeholders**, including UK regulators, academia and industry, through a well-funded long-term network initiative that facilitates effective exchange of scientific knowledge, practical resources and carries out horizon scanning on new novel technologies, such as the Novel Food Expert Network (NFX UK).
- 3.4 Identify and address barriers in novel food innovation** by carrying out a gap analysis to identify bottlenecks in the innovation pathway to ensure that private investment is used to remove these barriers. In addition, consideration is needed on how public investment into stakeholders such as academia and regulators can be most effectively allocated, with NFX UK well-positioned to take this forward.
- 3.5 Build a best-in-class start-up and investment ecosystem in the UK** that encourages private investment to help improve innovation processes and infrastructure developments. For example, tax breaks for building food grade pilot fermenters on brown-field land to support scale-up efforts. Other countries regional developments, such as the Food Valley Netherlands, could provide a blueprint for the UK.
- 3.6 Learn and adopt regulatory practices from other innovative countries.** Government departments, such as FSA and Department of Business and Trade should learn from other leading nations across the world, like Singapore and Aus/NZ.
- 3.7 Support consumer trust, acceptance and understanding in new foods** through government-led consumer education and the use of well-understood terms on product labels. For example, ensure no legal restrictions are introduced for meat terms and re-evaluate existing dairy protections/naming legislation to provide appropriate flexibility.



## 4 Be a global leader in food manufacturing innovation and technology adoption

The UK's food and drink industry is the third largest adopter of robots after automotive and logistics. Increasingly food and drink manufacturers are deploying AI across their businesses – from new product development and production operations – right through to improving their commercial and supply chain strategies. To become truly world-leading and unlock a £14bn growth opportunity in food and drink manufacturing identified in the [Future Factory report by Newton](#), we must seize the opportunities in adopting robotics, automation, digital technologies and AI.

We launched the [Food and Drink Technology Taskforce](#) to bring together manufacturers with leading technology providers, along with the High Value Manufacturing Catapult Centres, universities and financial institutions, to collaborate more closely and make it easier for businesses to adopt technology.

A recent report commissioned by Department for Science, Innovation and Technology (DSIT) shows that the UK food and drink sector is 2.5 times more R&D-intensive than the OECD average, yet it receives only 0.1% of UK government R&D funding for businesses – far below the OECD average of 5%. This is a significant untapped opportunity to back a highly innovative sector.

**To accelerate technology adoption and innovation investment in food and drink, government should:**

- 4.1** Ensure that food and drink manufacturers are explicitly eligible and supported to competitively bid for **Made Smarter Innovation** funding through Innovate UK to develop novel digital solutions, increase productivity and resource efficiency, and enable better supply chain mapping to build greater resilience.
- 4.2** Prioritise food and drink manufacturing as a strategic sector for the new **Robotics Adoption Hubs** to drive the uptake of robotics and autonomous systems.
- 4.3** Proactively work with the sector through a joint campaign to increase the take up of **Made Smarter Adoption programme** by food and drink small and medium sized enterprises (SMEs) to improve their digital readiness levels.
- 4.4** Develop a new approach to **importing product samples** to drive R&D and investment in new state-of-the-art research and innovation facilities in the UK.
- 4.5** Co-create an **Agri-Food Innovation Partnership** with the agri-food sector and academia to prioritise UK Research and Innovation (UKRI) investment in food and drink. This partnership would support collaborative R&D projects, knowledge sharing and industry-focused research to develop new technologies and solutions that will help us address longer-term health and sustainability challenges.

\* University of Cambridge and Cambridge Industrial Innovation Policy, [What makes the UK industrial innovation system different?](#), September 2025.

## 5 Develop a highly skilled and productive workforce

The ever-growing uptake of new technologies in food and drink manufacturing processes has led to a growing demand for science, technology and engineering skills – which are already in high demand across UK industries. A skilled workforce will drive the sector's ability to automate, innovate and grow. From multi-skilled engineers who can keep up with technological advancements, to the next generation of food scientists and technologists who will improve the nutritional profile of the products we make. A co-created workforce strategy will help the sector to address skills gaps domestically and support good jobs by enabling employers to attract future talent and upskill the current workforce of nearly half a million. Through Skills England, government, businesses and the education sector must work together more closely to develop the courses to deliver the skills that business needs. This includes aligning skills systems across the UK to ensure national employers can offer their staff equal training opportunities no matter where they live and work.

**To support the UK's largest manufacturing sector to build a highly skilled workforce, government and industry, working together, can:**

- 5.1** Co-create a **food and drink sector workforce strategy** with the Department for Work and Pensions, Skills England and Defra to address significant skills shortages – creating clear pathways from entry to more advanced levels – and facilitating the transition to a higher-skilled workforce, particularly as digital technologies will transform the sector. This strategy should align with the advanced manufacturing sector to address engineering, data and AI skills but also focus on sector-specific skills such as food science and technology.
- 5.2** Ensure the digital, AI and engineering **short courses eligible for Growth and Skills** Levy funding from 2026 include options relevant to food and drink manufacturing. For example, the highly successful course to multi-skill engineers and upskill technical operators in food and drink – supported by the Greater Manchester Combined Authority and delivered by Wigan and Leigh college – must be eligible for this funding.
- 5.3** Ensure that **apprenticeship standards and assessment reforms** in England protect the quality and credibility of apprenticeships that are critical to building a future talent pipeline in food technology, engineering, management and leadership, and food safety and regulatory compliance.
- 5.4** Transform entry-level recruitment into the sector through a pilot of the industry-led **Food and Drink Careers Passport** in partnership with the Department for Work and Pensions and **new foundation apprenticeships** that embed modern skills, such as digital literacy and sustainability, in key roles such as production operatives, food scientists and butchers.
- 5.5** Work with food and drink manufacturers to ensure they can benefit from the £182m **engineering skills package** – which covers courses, capital equipment to technical excellence colleges. This will help increase the pipeline of engineering skills in food and drink manufacturing to address our ageing workforce.

## 6 Promote British exports globally and build greater supply chain resilience

British food and drink is renowned and trusted by consumers all over the world. Our businesses here in the UK make products that consumers love, exporting almost £25bn a year. We want to grow food and drink exports further in existing and new markets, and targeted support will help to significantly accelerate export growth. More effective export support is needed in the UK to compete with European food and drink manufacturers that are championed by their governments and show up with a strong presence at trade shows.

We want to work with government to promote UK food and drink as a competitive global offering, aligning ambitious targets, export promotion, border efficiency and leveraging attachés and the UK overseas network. This will require coordinating activity with Devolved Administrations. Companies of all sizes should be able to use and reap the benefits of the UK's new trade deals and gain the confidence to start exporting again to the EU and further afield.

**To drive food and drink export growth and maximise opportunities within the UK trade deals, government should partner with industry to:**

- 6.1 Establish and fund a £2.6m joint industry-government partnership focused on the export promotion of food and drink products** – raising the level of support in England to be comparable to the Devolved Administrations. Based on existing initiatives run by the Scottish and Welsh Governments, funding support would be targeted at international trade shows, campaigns and other export promotion. The programme should initially focus on countries with recently established trading arrangements. With specific support for SME exporters and targeted trade shows, this would increase awareness and use of these trade deals.
- 6.2 Ensure a dialogue with businesses about regulations that are impacted by the common UK-EU Sanitary and Phytosanitary (SPS) area** and provide sufficient timeframes to allow businesses to adapt processes where the UK will align to EU regulation. Where the EU has outpaced the UK on innovation, we should adopt these changes sooner.
- 6.3 Develop a comprehensive export plan to support SMEs when the SPS agreement is implemented.** While the Business Growth Service has consolidated domestic and international trade support, there is still a critical information gap for SMEs on wider export requirements (e.g. Classification, Rules of Origin, Safety and security declarations). A focused export plan should provide SMEs with clear guidance and resources to navigate these complexities, helping them seize new opportunities as trade barriers ease.
- 6.4 Reduce import tariffs on non-sensitive ingredients for UK manufacturing** by undertaking a review of the UK global tariff and improving the duty suspensions programme to deliver more regular and predictable timetables. Businesses should be able to provide additional information to avoid unsuccessful applications and government will provide greater transparency in the decision-making process.

## 7 Create a proportionate and targeted regulatory framework

The government's target to cut the administrative cost of regulation on business by a quarter by the end of this Parliament, alongside Defra's commitment to launch a new Food Inflation Gateway, are both welcome by industry. Where the UK retains greater regulatory autonomy – whether that's environmental, health or employment legislation – it must be proportionate, targeted and deliver its intended policy outcome, without adding unnecessary cost to the food system.

Better coordination across Whitehall departments and Devolved Administrations is also needed to ensure that where new regulation is required, it seeks to minimise cost and complexity for business and avoids adding upward pressure on food prices for consumers. Without this, there is a risk that multiple policies from different departments and without proper sequencing will create a significant cumulative regulatory burden. This leads to increasing costs for manufacturers and, ultimately, undermining efforts to address the cost of living for households.

**To ensure a proportionate and targeted regulatory framework that will enable businesses to remain competitive, help address the cost-of-living for consumers and make the UK an attractive place for food and drink investment, government should work with industry to:**

- 7.1 Rapidly identify and implement the 25% reduction in regulatory burdens for the sector**, working with industry to improve the stock of regulation and minimise red tape.
- 7.2 Deliver the Food Inflation Gateway** at pace that will effectively assess the impact of regulations on food prices and take appropriate action to reduce industry costs and prevent unnecessary regulatory burdens from being passed on to consumers. For example, Nutrient Profile Model changes must be run through the Gateway as part of government's impact assessment process.
- 7.3 Reform the planning consent system to support investment** in the construction of new, or the expansion of existing sites in the UK.
- 7.4 Commission the Regulatory Innovation Office to streamline food and drink R&D rules** so manufacturers can trial, validate and scale new technologies more quickly while maintaining robust safety standards



## Shaping the future of food & drink manufacturing

For over a century, the FDF has supported food and drink manufacturing in the UK by contributing to policy and legislation and championing our members' views on key policy areas.

Our skilled teams of experts work with businesses, government, regulators and our members to create a business environment for the industry to thrive.

Find out more about our latest news and the work we do at:

[fdf.org.uk](https://fdf.org.uk)

