



Environment, Food and Rural Affairs Committee

Oral evidence: [Food security: demand,
consumption and waste](#), HC 703

Wednesday 5 November 2014

Ordered by the House of Commons to be published on 5 November 2014.

[Watch the meeting](#)

Members present: Miss Anne McIntosh (Chair); Jim Fitzpatrick; Mrs Mary Glendon; Mrs Emma Lewell-Buck; Ms Margaret Ritchie; Mr Mark Spencer

Questions 163-216

Witnesses: **George Eustice MP**, Parliamentary Under-Secretary of State (Farming, Food and the Marine Environment), Defra, and **Gordon Friend**, Head of Food Security and Sustainability, Defra, gave evidence.

Q163 Chair: Good afternoon and welcome. Minister, you are particularly welcome, because I know what a busy week you have been having. I would like to say I have been scrutinising your every move. Thank you very much for honouring our evidence session to conclude the report for our second inquiry into food security. Just for the record, I thought you might wish to introduce your colleague from the Department.

George Eustice: Yes. I am accompanied by Gordon Friend, the Defra official who leads on food sustainability and security.

Q164 Chair: You are both welcome.

Can I just ask a little bit about the Food Policy Unit and its work? Also, could you clarify something? Apparently the Food Policy Unit sits under your direction, so does that mean that you chair the meetings, or that you are present at the meetings? Is it ministerial or official-led?

George Eustice: It is official-led. I do not chair the Food Policy Unit meetings, but obviously if any recommendations come out of that, they come to me as a submission in the usual way. Food policy, in its broadest context, is something I am responsible for.

Q165 Chair: In our initial report we requested that there would be a Minister co-ordinating these issues, bearing in mind, looking back to the horsemeat scenario, that there

was a fall of division of responsibilities of the Food Standards Agency between the Department of Health and yourself. Do you believe that lessons that have been learned from the horsemeat scenario are now in place? Are we doing things differently?

George Eustice: Yes. The Elliott review, as you know, was concluded and published in September, and we were very clear that we accepted all his recommendations. Among those were, first of all, that there should be a co-ordinating group at official level, and Bronwyn Hill, the Permanent Secretary, chairs that group and it includes many other Departments that have an interest in this as well. Secondly, there was the suggestion that there should be a cross-departmental ministerial group dedicated to food integrity and the food supply chain. I will be chairing that one, and I understand its first meeting is going to be in December. The final—and probably the biggest and most important—recommendation that Professor Elliott made was that there should be a food crime unit established within the Food Standards Agency. I had a meeting with the FSA Chairman last week and I can say that good progress has been made. We were clear that it would be fully operational by the end of the year; it is already operational. It has around 25 of its 35 staff currently in place. It is in the process of recruiting additional staff to assist on things such as intelligence, but it has already started its operations and will be at full manpower by the end of the year.

Q166 Chair: What would you say the Food Policy Unit is doing to ensure that food security is a priority across the range of policy areas within Government and between Government Departments?

George Eustice: I might ask Gordon to come in—

Chair: You can phone a Friend.

George Eustice: Yes. We do have, for instance, a supply chain resilience group, which is led by Defra, and we do a lot of work with people like the Federation of Wholesale Distributors and other major wholesalers to ensure that we have resilience in our supply chain for any short-term shocks, and this was put in place particularly after the fuel strikes some years ago. Gordon, do you want to add anything further?

Gordon Friend: Yes, certainly; thank you. The Food Policy Unit leads on food security, but we work closely with evidence colleagues across the Department and with other Departments. We also co-fund the Global Food Security programme, which is a collaboration of research bodies to look at food security and identify how that can feed into policy and also, through activities on sustainable intensification, we are looking at how we can spread that message out to other areas and to the industry.

Q167 Chair: Do you think we have now achieved shorter supply chains? I am thinking transparent supply chains.

George Eustice: In some areas, yes. One of the recommendations that Professor Elliott made was that retailers, in particular, should not rely just on the paper trail for their supply chains, and that they need to take much greater interest in exactly where their food is coming from. I think many had already taken that lesson on board. Also, more broadly, over the past decade or so there has definitely been a growth of

consumer interest in food provenance. Many supermarkets have responded to that consumer demand and quite a lot of them now will try to source more local produce in their local stores. I remember last year meeting a very small ice cream manufacturer in Devon who was just supplying one Tesco store in Devon, and I think there are many more local suppliers now supplying those supermarkets. However, in many other areas, we just have to be realistic; we do have a big national supply chain and when it comes to some of the big grocery brands, certainly, those are obviously part of a national distribution network and that will always be the case.

Q168 Jim Fitzpatrick: I have just a small question, Minister. It is good to see you here, given how busy a week you have had—I know that it must be difficult—and obviously to see Mr Friend. You commented on the Elliott recommendation about the food crime unit, the meeting last week with the FSA and the fact that 25 of the 35 staff are already in place. Forgive me if I have not picked this up in the brief, but is that unit going to be mostly reactive in terms of dealing with complaints, or will it be proactive—doing checking? I am not clear how it is going to operate.

George Eustice: It will be a mixture of both, but it will be doing proactive work. They were describing to me that there would be an intelligence hub, which they had started to place, and out of that they developed the food crime unit. There will be intelligence-led surveillance when they pick up issues, problems or reported issues, when they think there could be a problem, or when they see deals that are too good to be true. One of the key things that Professor Elliott picked up was that if a deal is too good to be true, it often is not true. That is guiding their surveillance operation and they are regularly doing all sorts of different tests. In addition, a key part of their work is obviously liaising closely with trading standards in local authorities and, as they pick up that intelligence, they are issuing circulars to trading standards to give guidance about where they think there could be problems and where people should focus their efforts.

Jim Fitzpatrick: That is very helpful, thank you.

Q169 Chair: Are we making public the results of the local authority testing?

George Eustice: We do occasionally get reports in the press. They quite often do publish their own results. There are a couple of things that we are doing within Defra in terms of developing our testing capacity. You might have noticed that early this summer—in June—we published the results of some work that we did to develop a test for the geographic provenance of food. We published the initial results of that pilot and we have a similar pilot going on to develop tests to detect, for instance, offal or other parts of the carcase that should not be present but are present occasionally in meat. We are constantly trying to develop and refine our testing regime.

Q170 Chair: There have been a couple of recent developments: the Department's green food project in 2012-13 and its conclusions; and the June 2013 sustainable consumption report. Drawing on those two pieces of work, what information do you think

consumers need to draw conclusions so that they are able to make choices looking at a sustainable, affordable and safe supply of food?

George Eustice: It is a difficult one, because some research suggests that the average time it takes for somebody to make a purchase choice when it comes to food is around three seconds. That certainly focuses your mind in terms of how much detail you can put on a label and have it taken on board by a consumer. I do think, though, that over the past 20 years or so, we have seen a big growth in the development of organic brands, such as the Red Tractor logo, accreditation schemes, and other similar schemes that have started to develop a recognised brand for high-welfare production systems. We have seen in some of these areas a lot of voluntary accreditation schemes that have been very successful, and that have established themselves and can drive consumer behaviour.

Q171 Chair: Obviously, it was not evidence before us, but we have just had the debate on dairy and promoting Red Tractor there. What you have just said leads to a question: what is Defra doing and what are you, as a Minister in the Department, doing to provide that information to the public and to promote Red Tractor, particularly in the context of the Macdonald task force and other reviews?

George Eustice: We have introduced earned recognition in many areas of inspection already and, as a result, have been able to reduce the burden of inspection on many farmers, particularly those in pigs and poultry, where earned recognition has been introduced. The Secretary of State has made it clear that she would like to explore how we could take that principle further and, for instance, use membership of the Red Tractor accreditation scheme and others to reduce the inspection burden on businesses, so we are keen to develop that element of it further.

The other thing I would say on labelling is that for the last decade or so it has been a requirement that in order to say “Country of Origin UK” on beef, the animal has to be born, reared and slaughtered in the UK. That principle is going to be extended now to lamb, goats, poultry and pigs, and those changes take effect from next April and the UK pressed for them. So I think we have seen some improvements in the statutory requirements for labelling, which will be welcomed by the farming industry, and, at the same time, we are doing all we can to incentivise those accreditation schemes like Red Tractor.

Q172 Chair: In the three seconds that I have to make my choice at the supermarket, what are you going to tell me I should be doing?

George Eustice: I would say buy British. The other thing that is interesting is what we have learned from the work of UKTI on exports, which is that the Union Jack is an incredibly powerful brand that is revered and recognised around the world. It is why in all the UKTI branding that we are doing now, we are using the Union Jack as part of that presentation.

Q173 Ms Ritchie: You are very welcome, Minister. Given that consumer demand shapes supply chains, what must the Government and Defra do to influence decisions on what food people buy and where they buy it from?

George Eustice: We do not see it as our role to tell people what they should buy, but what we do see our role as is supporting the choices that people want to make. When it comes to health, for instance, Public Health England published their “eatwell plate” and they have their Change4Life campaign to try to encourage healthy eating and living. For our part, we do all we can to promote some of those accreditation schemes, such as the Red Tractor logo, to get people to buy more produce that is produced to a higher standard. However, we do not see it as our role to try to tell people what to do. The most we can really do is support the choices they want to make.

Q174 Ms Ritchie: Further to that, Minister, you say that you do not see it as the role of the Government to tell people what they should buy. Is regulation needed to ensure that retailers support sustainable consumption?

George Eustice: When it comes to the retailers, we have had WRAP in place—the Waste and Resources Action Programme—and they developed the Courtauld commitment, which all of the big retailers and big food manufacturers have signed up to, and that has been incredibly successful. They have set a range of targets. They are now into the third round of those targets and already we have seen household waste on food and food packaging go down by around 15% since 2007, and we have seen waste in the supply chain go down by between 7% and 8%. So there has been progress made and with the new targets they have put in place, by around 2015 or 2016, we will have reached a reduction in household waste of about 20%. Therefore I think schemes such as the Courtauld commitment being run by WRAP and others like it are quite successful at reducing waste and at getting retailers and consumers to think carefully about their food.

Q175 Ms Ritchie: On healthy eating, bearing obesity and waste in mind, what action should the Government take to manage demand?

George Eustice: Of course there is a role for Government to inform people in these areas, and that is why, at the beginning of this year, you will have seen there was a television advertising campaign run by Public Health England encouraging people to make what they called “smart swaps”—swapping sugary drinks for low-calorie drinks, for instance, and high-fat foods for low-fat foods. There is a role there for that kind of work to promote healthy eating and healthy living, and that is very much something that Public Health England pursues.

Q176 Ms Ritchie: How does Defra monitor and react to the impact of changing consumer tastes and choices on the security of our food supplies?

George Eustice: The last time I was before you we were talking about food security more in the global context and we had the Foresight report that looked into this. It is a factor, so we have said that we want to increase food production sustainably but, at the same time, another big element of ensuring we have food security in the decades ahead

is very much around reducing waste, and there is a lot of potential there in terms of reducing food waste.

Q177 Ms Ritchie: On the whole area of the food crime unit, which you say, Minister, will be fully operational by the end of the December, with 25 people in place and 10 posts still to be filled, is that budget ring-fenced for the full operation of the unit to execute the task that it was intended to do?

George Eustice: Yes, there is a dedicated budget for it. I am afraid I am going from memory, so I may have to correct the record, but I think it is around £2 million a year. We can double-check and write to the Committee to let you know if it is wrong but, from memory, it is approximately £2 million a year.

Q178 Mrs Glendon: Welcome, Minister. May I ask you, in relation to whether people buy British or otherwise, what key factors consumers should weigh up when deciding whether to buy imported foodstuffs?

George Eustice: One of the things we tried to get to with the work that Peter Bonfield did in the summer on public sector procurement, which we are progressing, with we have 20 pilots up and running now, was the idea of a balanced scorecard, and that you look not only at price, although that is clearly an important factor, but at the impact of your procurement policy on the environment, the distance that it has travelled, the socio-economic impact locally and resource efficiency. One of the things we hope is that if you pursue that more balanced approach to procurement—what Peter Bonfield described as a balanced scorecard—you will open the door to public sector procurement for more local, smaller businesses. I would hope that when people are considering purchases they will apply the same thoughts, because there is no doubt that, in most cases, if you are flying food from afar there is an environmental impact of doing so, and if we can buy locally produced food, that generally has better environmental outcomes.

Q179 Mrs Glendon: The UK's production to supply ratio is 55% for fresh vegetables and 10% for fresh fruit. Given the public health-driven need to increase demand for, and consumption of, more fruit and veg, must a greater proportion of our fruit and veg inevitably come from overseas in the long term?

George Eustice: When it comes to fruit in particular, part of the problem is that there are many fruits that people consume—not least things like bananas and oranges—that you simply cannot grow here, or certainly cannot grow here yet. However, the soft fruit industry, in particular, has made big strides in the past 20 years or so. You now have a season on strawberries that runs from the end of March—pretty much from Easter—almost through to Christmas, and that extension of the season is definitely increasing their share of the strawberry market. We have also seen in very recent years—just the past three or four years—a big growth in, for instance, blueberry production in this country, which is being produced under polythene tunnels, and even apricots. That is a very new industry that is being developed commercially, but there are a number of growers successfully growing apricots. The development of technology, especially in the soft fruit

sector, has created new opportunities for us to produce some of the fruits that we otherwise could not have done previously, and to extend the seasons.

Q180 Mrs Glindon: On that point, you have mentioned the research and the new techniques. How far do you think it could go to meet the new demand? You mentioned apricots and a couple of other fruits. Will that be sufficient? How will the ratio change and do you think we will still need to import from overseas?

George Eustice: The reality is that we always will when it comes to fruit, because we still purchase fruit out of season and purchase a lot of fruit that we are not really able to grow in this country. For that reason, we will continue to import considerable amounts of it. However, I think it is wrong necessarily to aim for self-sufficiency as a target in itself. What we want to be doing is expanding production, yes, doing import substitution when we can and striving to have a more profitable industry, but we should not get too hung up on the fact that in a sector such as fruit, there are some fruits that we simply cannot grow commercially here, so we import. Instead, we should recognise that there are often export opportunities for other sectors, notably dairy, beef and lamb, and just as we export some of those products, we may need to import others.

Q181 Mrs Glindon: The research and techniques will go some way to helping that balance.

George Eustice: They will, and the fruit industry is a good example of where there have been technological advances in the past 20 years, especially the use of heated glasshouses to get early production and very late production on soft fruit. In addition, there are changes of varieties when it comes to top fruit. We are seeing some quite successful top fruit producers producing new varieties of apples, like Jazz, instead of the old Cox's Orange Pippin, which fell out of favour. We are seeing a revival even of the top fruit industry based on sometimes more intensive spindle-type systems of production, and the use of newer varieties that are more wanted by the consumer.

Q182 Mrs Glindon: Do you think the focus to increase food security should be on shortening the supply chain, or could it be safety in labelling that is more important or even the issue about policing supply? Where do you think the main focus should lie?

George Eustice: I think we have to do all those things because, as I said, there will always be some products where you are necessarily going to have quite a longer supply chain. Where you have that longer supply chain, you do need to make sure that the systems you have in place for traceability are cast-iron and reliable. To ensure that that is the case, you have to have the right testing and surveillance in place to monitor it and pick up problems early. That is exactly why we have the food crime unit in place now—to improve our efforts in that area. Equally, as I said in my opening comments, there has been a growing consumer interest in food provenance and people wanting to buy more locally sourced food, and there has been a big growth in farm shops, for example, especially in the past 10 years. Therefore there will be other areas, notably probably in the meat industry, in which you start to see more interest in local provenance and there

probably will be consumer demand for shorter supply chains, especially when it comes to fresh meat.

Q183 Chair: We took evidence from a number of witnesses on the carbon footprint. One of the witnesses, Jay Rayner, thought it would be a good idea to look at the carbon footprint for almost every product, and one of the supermarkets—I think it was Tesco—said that it had considered doing this, but in the event that never went ahead. I would imagine the cost would be prohibitive, but do you have any firm views on whether that would be a welcome move to introduce seeing the carbon footprint, or do you think the label is going to get so big that we do not have the three seconds extra to read it?

George Eustice: It is a moot point. There is only so much you can read in three seconds, and I think there is a danger that you end up with so much information on labels that there is just far too much for the consumer to take on board. What I would say is what we have in terms of carbon reduction is a number of industry road maps in place. There is one for the pig industry and the cattle industry as well, where they commit to trying to reduce their carbon impact. We know, for instance, in our livestock industry, which tends to be cited as the one that has the greatest impact on carbon emissions, that if you have grass-fed cattle, the impact on the environment is lower, and that tends to bode well for the UK industry, much of which is grass-fed. Big strides have been made, for instance, in the pig industry by switching the food source slightly away from imported soya to more home-grown sources of bean proteins. That has led to a significant reduction in carbon emissions in the pig industry. Gordon, is there anything you want to add?

Gordon Friend: I think you are entirely right. One of the supermarkets did start to label carbon footprints on their packaging, but consumers were confused by it, so they swiftly stopped doing it. It is a very confusing area and there are lots of different bits of information for people to pick up. We are doing some work with our European colleagues on some products' environmental footprinting to see if there are opportunities for labelling. It is a project that is ongoing at the moment. I think it has gone out to testing of the label in some companies, and we will be monitoring that and seeing if there is anything we can use going forward.

Q184 Chair: A statistic that was put to us was that 95% of the food in this country is sold by nine companies. That is quite a large statistic.

George Eustice: It is. Presumably you are talking about retailers.

Chair: I believe it was in the context of Jay Rayner's evidence.

George Eustice: Yes. Obviously, there are the 10 very large retailers with a turnover of over £1 billion each, which are covered by the Groceries Code Adjudicator. It is in the nature of our food and grocery retailing at the moment that we have those 10 very large players.

Q185 Chair: Just looking at sustainable agriculture, a lot of UK livestock—you just referred to emissions—are fed with imported soya, and it is argued that that soya could be

used almost to feed the world population. Is that a balance that we should seek to achieve, or should we look to grow crops that we can feed our livestock? You mentioned grass, but should we be seeking to feed our livestock with more of our own home-grown grain as well?

George Eustice: I know that there is an argument that is made—you will also hear it made by groups such as Compassion in World Farming—that there is a calorific loss in terms of feeding grain and feedstuffs to cattle, and then consuming the meat from those cattle. However, we are not going to get into the business of trying to plan this and tell people what they should or should not eat. From a health point of view, we advise people on what a healthy, balanced diet is, but beyond that we have no plans to try to lecture people about what they should not eat. The only thing I would say is with the change to the common agricultural policy and the introduction of greening, it is possible that, in some arable areas in the land, in order to satisfy the EFA requirement, we may see more leguminous crops, such as broad beans, being grown. It is just possible that, on the back of that, we will have more home-grown proteins that can go into animal feedstuffs as a result, and we may therefore not need to import as much soya as we previously have done.

Q186 Chair: Do you think that there is any conflict between the work of the Department and what the Department of Health is perhaps saying about when it might be, for health benefits, advisable to eat less meat? As someone who represents one of the largest livestock producing parts of the country, I believe that we should be encouraging people to eat meat as part of a balanced diet—especially, may I say, growing girls, because of the iron content—so is there any potential conflict there?

George Eustice: Chair, you will know there is never conflict in government. There is a discussion and a consensus on all of these types of issues, and all proposals for these types of campaigns are subject to Government write-rounds and cross-Government co-ordination, so I do not really think there is as conflict. There is an important responsibility on Public Health England to inform people about a healthy, balanced diet. My view is that people should have a balanced diet, but my view is also that meat should be part of a healthy, balanced diet.

Q187 Chair: Is there anything that you in the Department could be doing to spread the word, because sometimes we only read about and hear an alternative view, not just on obesity, but on whether we should eat full-cream milk or skimmed milk, or the amount of meat? Is this not something that perhaps the Department should be more proactive about, rather than—dare I say—sometimes reactive to pushing the message that you have just given?

George Eustice: What I would say is obviously we have AHDB and all those various levy bodies that are established in statute. I work very closely with the AHDB and we have EBLEX there, and it has a large budget. AHDB has around £60 million in total for all of those levy boards. When it comes to EBLEX, a big part of its work is promotion, advertising and promoting meat consumption. So I do think that within Defra, through the work that we co-ordinate with the AHDB, we do promote that element of a healthy, balanced diet.

Q188 Jim Fitzpatrick: May I come in on the back of one of your questions, Chair, just to press the Minister a little bit more? Minister, it is to your credit that when you said there is no conflict in government you could not do that with a straight face. That demonstrates your integrity. You have to toe the line, but there is conflict in government; everybody knows that.

George Eustice: All Governments as well.

Jim Fitzpatrick: All Governments; no question.

On the Chair's question, there is growing evidence that a reduced-meat diet is healthier and, certainly in terms of the future population of the planet, more feasible. As that evidence grows, will that not intensify the conflict between the health issues and supporting British agriculture, especially the growers that the Chair referred to in her area? Nobody wants to see farming disadvantaged, but equally, if there is scientific evidence to say that we should be giving stronger advice to people about how much meat they consume, how do the Government address that? They cannot completely stand out of the circle, surely?

George Eustice: I think the Public Health England's advice at the moment through the "eatwell plate" is that people should consume around 70 grams of meat per day, which compares to an average, at the moment, of around 90 grams. Although 70 grams does not sound very much, it is not, in the scheme of things, advocating a radical change, from what I can gather.

The other thing I would say is in terms of the vibrancy of the industry. You have to place all this in the context of a rising world demand for food. Between now and 2050, we are expecting to see demand for food grow by around 60%, especially with some of the Asian markets growing and a growing taste for more dairy products and more meat. I do not think there will be a conflict, just because the track is wide enough for all runners when it comes to food production. We are going to need to produce more food sustainably and there will be a market for it; I am confident of that.

Q189 Chair: Would the message vary according to whether it was red meat or white meat?

George Eustice: I might need to ask Gordon whether he has the details. My understanding is that it is meat or processed meat; I do not think they differentiate between the two in their advice.

Chair: If you had any information, it would be interesting to have it.

George Eustice: We can write and clarify that for you.

Q190 Chair: That would be very helpful, and the difference between red meat, white meat and processed meat would certainly be very interesting.

We heard and took evidence from the Sustainable Restaurant Association. Is there anything that the retail and hospitality industries should be doing in addition to the Government themselves on this question of healthy, balanced diets?

George Eustice: Yes, I think, as a subset, there is the hospitality and food service Agreement that WRAP runs. That is, again, a voluntary agreement that tries to engage with caterers and food service providers, and again the companies that sign up to that sign up to a number of targets, particularly on waste prevention. The aim, at the moment, is to reduce packaging waste by 5% by 2015 and also to cut CO₂ emissions as well. So there is a project promoted by WRAP that is dedicated to the hospitality and food service industry.

Q191 Chair: Should we be eating five a day or seven a day in fresh fruit and veg? If we are even eating five a day, how much are we sourcing locally in this country, as opposed to imported fruit and veg?

George Eustice: We should definitely be eating five a day, and I have heard various recent amendments to that, with some even suggesting 10 a day. However, five a day is the current advice that Public Health England maintains. On the argument in terms of whether we can provide that, we definitely can. We produce a lot of vegetables, lots of potatoes and also fruits, so it very much comes back to Mrs Glindon's point earlier about the food production here and the opportunities to produce more of it.

Q192 Chair: Is there any evidence that it is helping British produce by having that message of five or seven a day?

George Eustice: Gosh, I am not aware of any direct analysis or modelling to try to demonstrate the impact of the five-a-day campaign on the fruit and veg industry in this country. I am not sure anyone has done the research to try to identify a direct correlation, but I think the five-a-day campaigns have been very successful. A few years ago, you even had companies like McDonald's adopting it and promoting their fruit under the five-a-day banner, for instance, so I think it has been a successful campaign.

Q193 Chair: Do you think it has changed consumer eating habits?

George Eustice: I think it has. The five-a-day advice is now quite broadly recognised, and if you were to do a poll of consumers to ask them if they had heard and taken on board any advice on healthy eating, five a day is probably what most would volunteer.

Q194 Chair: In the immediate aftermath of the horsemeat scenario, there was a switch in purchasing from supermarkets to butchers shops and farmers markets. We heard some rather ambivalent evidence on farmers markets, but do you think those habits have changed and been sustained, or do you think people have gone back to shopping in supermarkets? Is this something that Defra has monitored at all?

George Eustice: It is not something we have monitored and it might be a little too early to come up with reliable evidence. Certainly you are right though; anecdotally there was powerful evidence that there was a switch to using more local butchers, for instance, where people felt they had more confidence in the meat they bought. I ought to declare an interest, as my brother runs a farm shop and a local butchery, and certainly what I can say

is that over the last decade they have seen a sharp rise in sales. Definitely there has been lots of consumer interest in locally sourced food and people really wanting to know how animals were raised and in particular where the meats they consume come from.

Q195 Chair: I am sure, as it is sausage week, we would love to taste that produce.

George Eustice: We make the finest sausages from lop-eared pigs, which is a rare breed, so I shall remember to bring some up to you.

Jim Fitzpatrick: I was going to ask how anecdotal evidence can be strong, but if it is coming from the Minister's brother, that is why it is strong.

Chair: That will be recorded. If we could now look at affordability and prices.

Q196 Mrs Lewell-Buck: Sorry for being late. I am just wondering, Minister, if you could let us know how many households in the UK are living in food poverty and what the rural-urban split is.

George Eustice: We do not really believe in having a definition of food poverty, because the reality is that people are either in poverty or they are not. So I think there is poverty, and that sometimes manifests itself in people struggling to afford to buy food, certainly, but we do not have a definition of food poverty in order to be able to come up with the type of number that you are referring to. Nor do we have any clear evidence of the split in poverty between rural and urban communities.

Q197 Mrs Lewell-Buck: If you do not have a definition for poverty, do you know how many people in the UK are living in poverty and what that rural-urban split is?

George Eustice: We definitely have that, because there are measures, obviously, of poverty. However, given that that is an issue for the DWP, I do not have those precise figures to hand. We can certainly write to the Committee, if you like, and update you on the latest figures that Government have on poverty.

Q198 Mrs Lewell-Buck: A few weeks ago, when the Committee took evidence from Jay Rayner and Mark Linehan, they argued with me that the problem with affordability was that there is a structural problem with low pay and inadequate benefits that is stopping people from being able to afford food and that that is something that the Government need to address. They argued that it was impossible to separate food poverty from poverty more generally, and I am just wondering if you agree with myself and their views.

George Eustice: I have just been passed—very helpfully—some statistics on poverty. We know that, since 2010, there are 600,000 fewer people in relative poverty and there 670,000 fewer workless households, 300,000 fewer children in relative poverty and 200,000 fewer pensioners in relative poverty. The clear evidence there is that the way to tackle poverty is to support people back into work, and that has been the big priority for this Government. Our main ambition through the welfare reforms we have had is to

support people back into work. There are some 1.7 million more people in work now than before we came into power, and getting people into work is how you tackle poverty.

Q199 Mrs Lewell-Buck: Just on the back of that, I noticed that the figures you gave— thank you for them—were about people who were less in poverty. I would rather have the figures for people who are in poverty, if you could still get them to the Committee.

George Eustice: I am pretty certain that is a net figure. They talk about fewer people in poverty, not people who have gone below.

Q200 Mrs Lewell-Buck: I am assuming from your response that you do not agree with the comments by me, Jay Rayner and Mark Linehan that were made in a previous sitting, because you have just said that you feel having people in work is the best thing for them. However, you know my party's stance. Sorry for being party political, Chair, but the reality is that if people are not earning enough to buy food, being in work is not good enough, is it? It is what they are paid when they are in work that matters.

George Eustice: Yes, but a year ago people used to say it was about the benefits system and now that has been demonstrated not to be the case—they say otherwise. Look, the reality is that, yes of course, in some cases there are people on low wages and low pay, and that does mean that they struggle to pay the bills and are in poverty. All I would say is that worklessness keeps people trapped in poverty and helping people—supporting people—into work is the route out of poverty. I believe that very strongly, and it is the principle that has guided Government policy in this area. However, I do not deny that of course there are some working people—I have these people in my own constituency as well—who are on quite low pay, and of course, yes, they still struggle to pay the bills.

Q201 Mrs Lewell-Buck: Do you understand that some people are on inadequate levels of benefits as well?

George Eustice: Benefits have increased. They are going to be capped now, but there was a modest increase in benefits earlier in this Parliament, so I do not really see that that can be the cause. The truth is that the benefit system is there as a safety net and, particularly when it comes to jobseeker's allowance, it is there to give people the minimum they need to support themselves. Obviously we give them all the support we can to help them get into work as well, which is the solution for them.

Mrs Lewell-Buck: I will not prolong this any longer, Chair, other than to say that we will probably have to agree to disagree, because I do not believe that safety net is there any more and neither do the millions of people who are going to food banks.

Q202 Mr Spencer: If we turn to Government intervention, I just wonder if there is a role for Government to try to regulate or encourage retailers to move into what are often described as “food deserts”, where there is no supermarket provision or no retailers. How should the Government get involved or should the Government just leave it to the market?

George Eustice: I am not quite sure what the Government would do. Do you mean in areas where there is a low population and you do not have supermarkets?

Q203 Mr Spencer: Yes. If I were a retailer, I would certainly want to build my supermarket in the most affluent area where I had lots of rich customers who wanted to fill their basket to the brim every week. Now, there is a commercial argument, I suppose, to say that building it in a really deprived area or a very rural area will not give me as many customers. I just wondered whether we should leave that to the market, or is it something that the Government should get involved in at all?

George Eustice: I think it is very much something you have to leave to the market. The last thing we want to do is to have some sort of command-and-control policy to decide which supermarkets go where. All I can say is that my own constituency is not the most affluent, but we have no shortage of choice of different supermarkets. Although that is an urban area, in common with many others, you will quite often see two, three or sometimes even four supermarkets within a quarter of a mile radius of one another. In most parts of the country, I think there is quite a wide choice. The other thing we have seen, particularly over the last five or 10 years, is quite a growth in brands such as Aldi and Lidl, which has helped those on lower incomes. However, in more remote areas, there is no point the Government trying to support or subsidise the building of a supermarket if it would not be viable. I am not sure that that is the premise of your question, but obviously in some of those more rural areas you often get smaller supermarkets, and it should not always be about supermarkets—you will have farm shops and other local retailers as well in the towns.

Q204 Mr Spencer: I do not want to go back over the previous question, but when you talk about food poverty, you have indicated—not only today, but in response to our previous report—that the best way to solve that is to try to raise incomes generally so that people are lifted out of poverty. Are the Government doing enough, or should it look at measures specifically aimed at targeting food poverty?

George Eustice: We have some measures. There is the Healthy Start scheme that the Department of Health runs particularly to support mothers with young children who are on low incomes. Again, through the work that is going on in organisations such as WRAP, there is quite a lot of work to encourage the redistribution of unwanted food, and we should bear in mind that a lot of supermarkets, including both Asda and Tesco, contribute a lot of their surplus stock to organisations like FareShare, which then redistributes that to charities who are there to alleviate poverty. There is some good work that goes on through these organisations, often helped and co-ordinated through groups such as WRAP, which we help to fund.

Q205 Mr Spencer: If you compare the percentage of income that people spend on food today to what it was in 1950s, it is now dramatically lower—they spend less. I wondered whether there is an argument to suggest that food is almost too cheap and we have lost the concept of its value, and that if food was more expensive, we would value it more and the market to provide us with that food would be more secure.

George Eustice: That is very much an argument that farmers might make. You do raise an important point about household expenditure on food. If you look at the poorest 20% of households, in 2008, they were spending around 16.8% of household income on food. In 2012, that figure was 16.6%, despite the fact that during that period—2008 to 2012—we saw persistent food price inflation. Clearly what was going on there was that consumers were reacting to the rise in prices and making different choices about where they purchased food, and perhaps the type of food purchases they made. As food prices went up, for those lowest income bands, the proportion of their household expenditure on food did not go up with food price inflation.

The other thing that is important to note is that in the past 12 months food prices have fallen. Food prices have gone down 1.4% in the year to December. That is the first time we have seen food prices fall in this country since 2002, so despite there being this period from 2008 to 2012 in which we had food price inflation, it is certainly something that now seems to have moderated, and if you look at projections for commodity markets from various analysts, they predict that we may be in for a period of a few years of relative stability on food prices.

Q206 Chair: Can I just ask: is it right that supermarkets use milk as a loss leader? Four pints of milk are being sold for 89p.

George Eustice: Of course, it was one of the issues that came up in the debate you mentioned earlier that we attended. I think there is a danger when selling four pints of milk for 89p, which is the figure that is often cited. Yes, they are making a loss on that. They are absorbing that loss, but there is a danger that if they run those types of promotions for too long, you get the public used to paying a price for their milk that is substantially below the cost of production for everyone. Therefore, while it is not the role of the Government to come in and legislate in such areas, we would not want to encourage those types of promotions to last too long, otherwise you do change public expectations around what the price of food should be and, ultimately, you will have food only if it is sustainable and profitable both to produce it and distribute it.

Q207 Jim Fitzpatrick: Just to come back on the point the Minister made a minute ago, when he said that in 2007-08, 16.8% of household budgets went on food and then, in 2012, it was 16.6%, despite the fact that food prices went up. Obviously, household incomes relatively went down, so I am not quite sure what that figure means. Whenever we get exchanges at the Dispatch Box over food banks and their increased usage, it boils down to tribalism, and the Prime Minister makes an accusation about the usage of food banks when Labour was in power going up by 100% or 1,000%—or whatever it was—which are relative figures in terms of the growth of food banks. Is there analysis going on in government, either by Defra or by DWP, to identify what is the usage of food banks for those who are using them, given that families can only use it for a limited amount of days, because you cannot go every day for two years—it is a three-day permit or token or whatever. Is there evidence being taken by the DWP or Defra about food banks and what role they are fulfilling, and a more objective examination of them, rather than looking from a party political point at what is happening?

George Eustice: The answer is yes. A Defra-commissioned review of food aid in the UK was published earlier this year. In many ways, that was not doing original research into this problem, but a literature review—a review of existing literature out there. It looked, in particular, at the US and Canada, and at some of the anecdotal problems coming out from people like the Trussell Trust. It concluded that there was not sufficient evidence to ascertain precisely what was driving the use of food banks. However, it did come up with some interesting analysis demonstrating that this was not a phenomenon linked only to the UK. We were also seeing a big growth in the use of food banks in other European countries, such as Germany, and also in the US and Canada. This is not a phenomenon that is limited to the UK; the review highlighted that much.

When it comes to whether we should do something more systematic, the problem is that because these are charities—and they do fantastic work; I have two food banks in my own constituency—and they are run by volunteers, what we do not want to do is to get into a situation where we start to create reporting requirements on these charities, which creates a bureaucratic burden for them and basically distracts from their core task, which is delivering food to people who are in need of it. Therefore we have stopped short of trying to do some sort of systematic analysis, because in order to do that, it would require you to get those charities to start recording things in a more systematic way than they have to date.

Q208 Jim Fitzpatrick: However, it has to be the basis of some decent academic research. There has to be a university out there somewhere that will be looking at this thing, and the Government could say, “We will give you a little bit of funding,” as it would not take an awful lot to have a look at this, and then take the burden off the food bank services and the charities providing them, and let academics look at this situation and come up with an objective report.

George Eustice: We had some academics from Warwick University who we commissioned to do that review last year and although, as I said, it was based on anecdotal evidence, they did do interviews with some of the food banks. What they discovered as well was that there is a range of options. In most cases, people are referred to food banks, typically by social services. In some cases, though, food banks do allow self-referral. In some cases, food banks—this is true of the ones in my constituency—limit the number of visits people can make to the food bank to around three times each six months. Others have fewer such restrictions. There is a range of different models out there, but certainly when I talk to the food banks in my constituency, what they quite often say, as is always the case with these things, is that there is a one-off crisis that hits people—be it a puncture, a car repair or a bill that they did not expect—that knocks them off course and puts them in the position they are in.

Q209 Chair: When we discussed food waste, Minister, we heard a variety of definitions, and two in particular: one from WRAP, which was that food waste was avoidable food waste or unavoidable food waste; and one from another witness—Plan Zheroes—saying that it was food not fit for human consumption. It would just be helpful to know what definition the Department uses currently; it may have changed.

George Eustice: I may ask Gordon to come in with a precise definition. However, in broad terms, we think that the right way to consider food waste is both avoidable food waste—that is food that would be fit for consumption that is discarded or wasted—but also to include in that unavoidable waste as well, which is the bits of the food, such as peelings and bones, that are left after food has been consumed, and necessarily are waste. We think that it is right to record both, but to distinguish between the two—avoidable and unavoidable waste—because clearly the avoidable waste is where we want to focus most of our efforts. However, when it comes to unavoidable waste, it is not something that we should disregard completely, because of course we do want to make sure that we are recovering, perhaps through the use of AD plants, energy from that unavoidable waste, so it is not something we should ignore altogether.

Gordon Friend: We do not have an absolute definition here in the UK of food waste, but in the recent waste framework directive, the EU is proposing a definition of food waste, which I am happy to read out if the Committee wants to hear it.

Chair: Presumably you can influence that; you do not have to agree it.

Gordon Friend: No, and we are working with them on that.

Chair: We just need more friends.

Gordon Friend: It is only a sentence: “‘Food waste’ means food (including inedible parts) lost from the food supply chain, not including food diverted to material uses such as bio-based products, animal feed, or sent for redistribution”. That definition looks at the whole supply chain, not just post-farm gate, so that is pre-farm gate and post-farm gate, and it does also pick up on the avoidable and unavoidable issues that the Minister has just mentioned.

Q210 Jim Fitzpatrick: Thanks for that definition, Mr Friend. It sounds very civil service-ese. Whether it is Brussels or London, it will take some analysing to identify exactly what it means.

Moving on to waste, however, the assessment from WRAP was that the average family disposes of up to six meals a week as waste. Does that mean that the messaging is not working, or we have not been strong enough in the messaging? Is there something more that could be done? If the messaging is effective and we are able to cut waste, what is the impact on producers, retailers and suppliers, because that would hopefully mean that the consumer would have to purchase less. So, in one sense, it will be a very good thing; in other sense, it will have a negative impact on jobs and profitability.

George Eustice: My view is that it is not a good or a bad thing. It is clearly a good thing to reduce waste. The answer to your latter point about whether that is going to be bad for industry, because people are not purchasing as much, lies in the point I made earlier. This is in the context of a growing world population with overall demand for food set to rise quite substantially between now and 2050. A key element of meeting that demand is going to be reducing waste, so reducing waste is a good thing, and that is why we are right to prioritise it.

You are right; there is further to go. There is more that we can do and more that we want to do. We are now in the third round of the Courtauld commitment and, as I said, we have been successful so far in reducing household waste by about 15%, and there is more to do—the aim will be to go to 20% in this next round. There is a range of things that we can do. Part of it is sometimes simple things, such as changing the recommendations on labelling, which is something that WRAP did quite an important piece of work on. For instance, they used to say to people, “If you want to freeze this product, freeze on the day of purchase.” They have now modified that advice to say, “Freeze before the best before date.” If people bought a fresh chicken leg and decided that they are not going to be able to eat it before the best before date, previously the advice would effectively have been that it was too late to freeze the product. Now the advice has changed, because there was no real basis for that advice. It has been changed so that they can be encouraged to freeze it if it is before the best before date. It is simple changes to guidance like that.

The other thing that WRAP has done some good work on is around discouraging display dates—sell by dates—and instead having a simple approach whereby you have a best before date, which it is an advisory date, and then a use by date for those products for which it is essential that they are consumed by a particular date. Bringing clarity to some of those things has been useful. There may also be opportunities with packaging. We should not always see packaging as an ill, although we have been trying to reduce the amount of packaging. However, sometimes you can have packaging materials that alter the mixture of gases inside the packet and prolong the life of certain vegetables, for instance. Those types of packaging can be a good thing in terms of sustaining the shelf life of perishable products. There has also been some good work done on resealable packaging, so that products are kept fresh for longer. There is a number of further things that we can do to try to reduce waste, but the key thing is we have that target of reducing it by 20% in this current round.

Q211 Jim Fitzpatrick: You have almost answered my last question, which is about whether any regulatory changes are needed to help retailers’ ability to redistribute food to charities. Labelling is one issue that came up in some of our evidence sessions. Has the Department been looking at what more might be done to help retailers safely to redistribute food to food charities? Do you think there is an issue out there, or do you think you have that covered?

George Eustice: I know, for instance, that Asda already does quite a lot of work redistributing its surplus stock. It is redistributing that through FareShare to charities. Locally, a lot of the small local food banks already have very good working relationships with their local supermarkets. You can find food loss for all sorts of reasons—sometimes they have the wrong barcode, or the type of label used is wrong or is put on the product the wrong way around, meaning it is deemed that the food can no longer be sold in the supermarket. Obviously, however, redistributing that food in a hierarchy of waste—ensuring that it is redistributed rather than wasted—is the priority, and most of the retailers have signed up and are helping to achieve that through their support and membership of WRAP, and support of those principles.

Chair: Minister, we are incredibly grateful to you for being here. We have one last question, if we can accommodate it.

Q212 Mrs Glindon: Given the level of food waste, does Defra adjust its measure of UK food consumption to allow for it?

George Eustice: No. I will just clarify that. You mean: do we need to change our approach to production?

Mrs Glindon: Yes.

George Eustice: I do not think we do for the reasons I explained earlier. We want to see a vibrant agricultural industry. We want to expand agricultural production sustainably, which is why we are putting so much emphasis on agricultural technology and trying to get productivity levels improving. We are doing that in the context of a rising global population and projections that show there is going to be an increase in demand. Achieving food security in the decades ahead is going to require us to do a number of things, and cutting waste is going to be a big part of it, but the sustainable expansion of production is also going to be part of it. So I do not think it changes our approach at all, simply because the challenge in the decades ahead to feed this growing population is such that we are going to need to do all of these things, and reducing waste does not mean we can sit back and say that we do not really need to produce as much food in this country.

Q213 Chair: Evidence we heard from FareShare, I believe, was that it was quite keen to see partnerships formed in setting up these social enterprises. Is there anything the Government could be doing, or has thought of doing, to promote this type of partnership?

George Eustice: We have done some work with FareShare.

Gordon Friend: In 2012, Defra Ministers had a roundtable with the food industry and the redistribution charities to look at how we could improve the redistribution of surplus food. As a result, WRAP led a redistribution industry working group for us. That group reported in March this year, so there are now some case studies available that identify how those partnerships can be formed and how that can be worked upon. There has also been some guidance published on how we can prioritise surplus food for redistribution, rather than for other uses. WRAP have done some activity with us on that.

Q214 Chair: Excellent. Minister, would you support the call that FareShare made to us that there should be a tax break for businesses that donate food for good causes?

George Eustice: Our view is that we think the incentives on businesses to redistribute through good causes are already greater than the cost to them, for instance, of trying to dispose or recycle. If they were to recycle, they have all the cost of doing so. We therefore think that the incentives are already powerful enough, and it is a lower-cost option for those businesses to redistribute, as opposed to recycle or even recover through AD.

Q215 Chair: I think I know the answer to this, but I would like to get it on the record, if I may. The Government have seemingly not taken advantage of the EU agricultural fund for rural development to support food redistribution. I believe the answer is that it needs to be co-financed, but I would just like to hear from you, Minister, if you are aware of the possibility of that money being on the table and why we have not applied for it.

George Eustice: There was some consideration given to this but, as is often the case with some of these European schemes, there is a cost of trying to implement it. It would have required somebody like the RPA, which does not have a natural position to do this, to set up an entire control regime to manage the system, otherwise you expose yourself to disallowance risk. There was some consideration given to it but—as is often the case, I am afraid, with some of these European schemes—the burden and the cost of trying to access it outweighed any benefits we thought that it would deliver.

Q216 Chair: I know what a busy two days you have had, and on behalf of the Committee, I would like to thank you and Mr Friend for being here. I would just end with a plea, if I may, that we can introduce a level of Anglo-Saxon common sense into the negotiations on the waste framework directive. We do not need to accept what they say and I hope that we will have enough friends around the table there that we can have a definition that is in line with our thinking. On that note, thank you very much to you both for contributing to our inquiry.

George Eustice: I would like, just finally, to say on the waste framework directive that as the UK has been the leader in Europe in terms of reducing waste, we are very keen that that is recognised when the directive comes out and that we have the correct baseline for countries such as the UK that have done so much good work already. We welcome it, because it helps to encourage other countries to follow our lead on this, but it would be wrong not to recognise the achievements we have made since 2007.

Chair: Minister, we are very grateful. Thank you very much indeed.