Written evidence submitted by the Birmingham Food Council CIC (COV0151)

Summary

This Submission has four parts:

- Part 1: Who we are, our work and its relevance to Covid 19 and food supply
- Part 2: Hindsight: How prepared was the food system for Covid-19?
- Part 3: UK food system successes and failures in response to Covid-19
- Part 4: Time now for foresight? The beginnings of food system recovery

1 Who we are, our work and its relevance to Covid-19 and food supply

1.1 Who we are

The Birmingham Food Council CIC was set up at the request of Birmingham Public Health and incorporated as an independent CIC in March 2014 with its own Board of Directors. It also has a Panel of Experts to advise its work.

1.2 The work of the Birmingham Food Council

Our focus over the last few years has been on three sets of issues which we feel do not receive enough attention: (a) the economics of the food network, (b) food safety, assurance and integrity and (c) the strategic challenges of food security whether at a global, national or city level.

1.3 Covid-19 and food supply

This focus allowed us to see the UK food supply network was likely to be gravely affected by Covid-19 by mid-February. We had switched all our attention to better understand actual and possible future impacts by mid-March, and started our on-line Covid-19 commentary, informed by confidential conversations with specialist informants deep within the food system, including service providers with their knowledge across the sector.

We trust this Submission, a synthesis of our thinking to date on Covid-19 and food supply, will be helpful to you.

2 Hindsight: How prepared was the food system for Covid-19?

2.1 Features of the pre-Covid-19 system

The UK food supply system was ill-prepared for any serious shock. We identified thirteen features of the pre-Covid UK food system contributing to this state of affairs. All of them pose threats to individuals and the wider public. All are directly or indirectly associated with the economics of the system, including a lack of investment Two of them have caused particular suffering:

- Diet-related morbidities, with their strong association with severe illness and death from Covid-19. (The Prime Minister, clinically obese pre-Covid, is reportedly convinced he was in intensive care because of it.)
- Many UK citizens lived in moderately or severely food insecure households *before* Covid-19; see for example this 2107 UNICEF Working Paper, and the Food Foundation 2019 Children's Future Food Inquiry, a situation now affecting millions more people because of lost income; see section 3.1 below.
  - Additionally, labour exploitation and modern day slavery are known risks in the agricultural sector; see section 3.4 below.

2.2 Scenario planning

Pre-Covid, few policy-makers and decision-makers had taken food security seriously. As illustration, in this blogpost written last autumn, we quoted from the latest (and outdated) West Midlands Community Risks register *there are no realistic scenarios within the UK which would lead to a shortage of food supplies.*

Moreover, few grasp the scale and complexity of the food supply network and the demands these features make for a qualitatively different kind of policy decision-making.

A better understanding of possible scenarios would have equipped many more players in the system to have responded better. In contrast, Tesco learned the value of scenario planning; their 'doomsday exercise' enabled the company to respond quickly to Covid-19 related challenges to their business. Several 'players' of our scenarios thinking tool, The Game, have reported how useful it had proved, saying *nothing has surprised us*.

3 UK food system successes and failures in response to Covid-19

Both commercial organisations and the voluntary sector displayed impressive agility in rapidly reconfiguring their supply chains in response to the evolving behaviours of citizens and organisations in the first few weeks after lockdown. Many UK households had and have access, one way or another, to sufficient supplies of safe, nutritious food.

No-one should underestimate the efforts of the commercial food companies and their employees in achieving this, nor of the efforts of the voluntary sector to deliver supplies of safe nutritious food to those households who could not access the food they needed through the commercial sector.

What this response has revealed, however, are weaknesses and vulnerabilities in the system. As we enter the third month since lockdown, we can begin to see the issues we need to address so that the food system has the resilience to recover from this crisis, whilst simultaneously preparing for the next. These issues include:

3.1 Many citizens don't have access to sufficient, safe, nutritious food

It is deeply concerning that Food Foundation's surveys show widespread and increasing food insecurity for millions of people, with many going hungry.

We should remember, too, the effects of poor diet on a Covid-19 threatened immune system, and the individual suffering and societal costs of severe infection.

The UK population depends upon the commercial food sector for all but a minuscule proportion of food consumed. Thus households need an income to have access to it. Without such economic independence, households are left to depend on the voluntary sector and community groups, i.e. charity for their survival.

Neither the commercial nor the voluntary sector is equipped, either singularly or together, to respond to more than a few households without the economic means to access the food they need. It should not, therefore, be a surprise that the food network during this crisis has systematically failed literally millions of UK citizens.

The UK Government is a signatory to the 1996 Rome Declaration on World Food Security, pledging its commitment to ensure all UK citizens have **access** to **sufficient** supplies of **safe**, **nutritious** food. The four emboldened words serve as a helpful reminder to Parliament of the Government's commitment to all UK citizens, and that the current situation can only be resolved through Government policy change.

3.2 The food system structure

Covid-19 and associated lockdown and rules about physical distancing have wrought significant economic and structural change on the UK food supply system, documented by us on 28th March and on 27th April. As the hospitality sector is likely to be the re-opened later than others, we can expect many of these changes to be long-lasting, some permanent. Major concerns include:

3.2.1 What effect will fewer SMEs have on food sector resilience?

Insolvencies and contract disputes are rising steeply and the highest incidences of furloughing are in the accommodation and food services sector. Cash-rich companies have already taken over or are eyeing up the highly geared made vulnerable by illiquidity and/or insolvency.

Without policy and/or fiscal intervention, this will result in:

(a) Further sector domination by even fewer powerful vested interests. We've already witnessed the power of the larger supermarkets muscling in on supply chains to smaller wholesale and retail outlets, forcing their price upwards; for an example see the second case study in The shoppers' perspective as lockdown continues.

(b) Fewer opportunities for innovative entrepreneurial activity. This begs the question as to what proportion of SMEs do we need for future sector resilience (see the first example in Recovery and ratios . . . six examples).

3.2.2 Processing, packaging and distribution capacity in the UK

Most fresh produce is highly perishable. Because the UK is so densely populated, processing, packaging and distribution capacity is vital. Although it's unclear how many processing and packaging businesses have closed down, we do know that it is happening; see, for example, this report from *The Grocer*. Moreover, it will be expensive and time-consuming to get them refitted for purpose.

There is another issue, explained to us by a supermarket executive. The UK had, pre-Covid, little capacity to preserve fresh produce, a contributory factor to the food waste after the shutdown of the hospitality sector and its knock-on effects on the food service supply chain; see section 4.2 below, and example 4 in this post: Recovery and ratios . . . six examples.

3.2.3 Primary production: UK-grown or imported produce?

The timing of Covid-19 was unfortunate in that lockdown began during the 'hungry month'; i.e. when British harvests haven't started, and so the UK is heavily dependent on fresh produce imports. Lockdown continued as many EU27 harvests came to an end. Produce from non-EU countries need to be air-freighted in. Pre-Covid, passenger aircraft holds were used. Few passenger flights mean much a high cargo prices. One importer told us that he'd refused x12.5 price rise, knowing that bartering downwards was unlikely as UAE have 'deep pockets'.

This situation has, however, started a debate about what proportion of food we eat should be UK-grown, and what proportion imported from other countries. It has also highlighted the risks the UK faces if new post-Brexit trade relationships lead to less, or more expensive access to nutrient-rich fruit and vegetables from the EU27, and UK farm prices are undercut by cheap imports.

3.3 Logistics, logistics, logistics

As in every crisis, a critical part of response and recovery is getting the logistics right. With Covid-19, getting people and food to the right places has been and is complicated by lockdowns and physical distancing across the world. As stated above, air-freight became very expensive. Ferry operators, too, bring in produce and, without passengers, were rapidly becoming financially unviable; the Government stepped in with a cash injection to some ferry companies.

While this was happening, some food service supply chain products were sold well below cost (top quality truffles, fine wines, artisan cheeses, prime cuts of meat), while the retail supply chain still experienced shortages, some caused by yet more changes in consumer behaviours. Flour, for example, disappeared off many retail shelves as demand exceeded supply with so many stuck at home with the time and inclination to make dough.

3.3.1 On-line orders

Demand for on-line food deliveries outstripped supplies. Supermarkets are still struggling to meet demand. Some food service suppliers pivoted to customer-facing on-line deliveries, as did restaurants and individual chefs. Techno-savvy delivery organisations, such as Uber, Deliveroo and some local taxi services stepped in, though their large margin, plus VAT can mean the food supplier receives less than half of the consumer price, yet another part of the system squeezing food supplier profit margins.

This Harvard Review article, Digital technology is keeping Chinese cities afloat through coronavirus points to the technological inadequacies in the UK system in responding to this logistic challenge.

3.4 Grower risks to workers and to food safety

The UK has one of the safest food systems in the world, and the majority of growers have high ethical standards. It is therefore of grave concern when we hear, as we have during this crisis, anecdotal evidence of some companies and individuals behaving badly.

With the relaxation of food sector regulations, coupled with now-virtual auditing perceived by the unscrupulous or criminal, to be *de facto* suspended, it's perhaps inevitable that the safety of seasonal workers is threatened, including their exposure to Covid-19 infection, labour exploitation and modern-day slavery. We've also heard uncorroborated stories of illicit use of chemicals to control pests.

3.5 The safety of staff and customers in supermarkets

Doing the grocery shopping feels hazardous to most customers, not least because staff in retail outlets, as many other workers, are potential Covid-19 vectors and grocery products and their packaging potential fomites (not that many would use these terms). Tesco was early in putting safe practice in place for staff and customers. Some still are not consistent in their safety practices; see the first case study in this post: The shoppers' perspective as lockdown continues.

4 Time now for foresight? The beginnings of food system recovery

In this Gizmodo post in early April, expert in disaster and crisis management, Dr Samantha Montano, stated: *The best time to think about how we would recover from a pandemic was before the pandemic happened. The second best time is now.*[1]

The more astute businesses began planning recovery as Wuhan went into lockdown, if not before. All surviving businesses are now doing so. But theirs is inevitably the narrow commercial concern. Such responses are necessary, vital even. But they are not sufficient.

So how might the Select Committee think about food system recovery, given its complexity? Where to start? We put forward the following points:

4.1 Pause and review pre-Covid policy decisions affecting the UK food supply system

Regrettably, the opportunity to review the Agriculture Bill in the light of the changes wrought on the system by Covid-19 looks set to be lost when its Third Reading was passed by the House of Commons, although some, limited, amendments were passed before it went before the House of Lords for their First Reading on 18th May.

4.1.1 Brexit negotiations

There is still an opportunity to give the UK time to reconsider its relationship with the EU27 if the Government asked for a transition period before the cut-off date for such a request on 30th June. This appears not to be an option the Government is currently considering, given the publication of a UK Global Tariff system on 19th May. It is difficult for us to understand the Government's apparent intransigence on this matter, given the significance of food imports from the EU27 to the nation's health and well-being, of food exports for the EU to our primary producers and of EU27 citizens to the food sector, although many of whom are now categorised as "critical workers".

4.1.2 Regulations

There are known risks inherent in loosening regulations. We urge the Government to commit to set a timetable for their regular review and their re-imposition as soon as possible. In addition, as part of the recovery process in the light of actual and potential damage to food safety, assurance and integrity across the globe, we recommend the Government invests heavily in public sector food inspection and testing.

4.1.3 The National Food Strategy

Henry Dimbleby and his team are undoubtedly aware of the huge changes Covid-19 has already brought upon the food network. As the flux within the system looks likely to continue for months or more, we suggest a useful exercise in the short-term would be for them to generate and publish a suite of scenarios on possible UK food futures, drawing upon specialist informants as and when required.

4.1.4 Universal Basic Income

Trialing a Universal Basic Income as lockdown eases could aid the UK's economic recovery from this crisis, as well as being an appropriate response to humanitarian need.

The Treasury is boldly supporting businesses by paying part-wages of millions of workers. Many of them, however, are likely to to be laid off when firms find themselves unable to generate new business quickly enough when the Treasury schemes end. What's currently being provided by the Government, through these schemes and the benefits system, is a major move towards a universal basic income.

Not everyone benefits as it isn't truly "universal". Moreover, the benefits system through Universal Credit doesn't provide every household with enough to meet the basic human needs of shelter, warmth and food.

4.1.5 Local risk and resilience planning

The current system is not fit for purpose regarding food security, thus in urgent need of review.

4.2 Food system recovery: Using ratios and rates of change to support decision-making

The two questions asked at the beginning of this section are hugely complicated. It's all too easy for 'answers' to be lost in the detail, or mired in whatever people think are the *oughts* and *shoulds* about the system as a whole.

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[1] Board member Dr Lauren Traczykowski from Aston Law School, whose research interests are applied ethics and emergency situations, tells us the answer is always 'now', wherever you are in the preparedness-response-recovery cycle.

A useful axiom for decision-making in any complex system, whether a pandemic or the food system is this: *Questions should be complicated and answers simple.*

Simple answers, often numerical in nature, need to be flexible, easily adjustable in the light of emerging events. Two examples, *ratios* and *rates of change*, are now familiar to most of us through media coverage of the global responses to Covid-19. They are also robust decision-making support tools for food system recovery from the current crisis, and to aid preparedness for the next one, whether anticipated or not.

We have outlined the usefulness of ratios to support decision-making regarding six aspects of the food supply system in this post: relative company size, unhealthy household food spend, food trade, nutrient consumption, food storage facility capacity and agri-resource use.

Monitoring the rate of change of each of them, ideally with pre-Covid statistics as a benchmark, would enable policy decision-makers to assess the effectiveness or otherwise of their decision-making over changing times.

4.3 Trust and governance

Covid-19 has put some governments nearer a threshold of collapse. Not least because the UK food supply system is global, this is concerning. The second surge of infection, perhaps a third will wreak further disruption to the global and local food supply system, how much damage will depend on surge timing and size. We can add in, too, yet more climate change related extreme weather events affecting harvests and their distribution.

The UK population has no option but to trust their Government to do what's necessary for everyone of us to have access to sufficient supplies of safe, nutritious food. Many people didn't have economic access pre-Covid, a situation that has become dramatically worse since lockdown. The pandemic has, too, put other grave threats on the UK food system.

There is therefore an urgent requirement for the Government to respond to this situation.