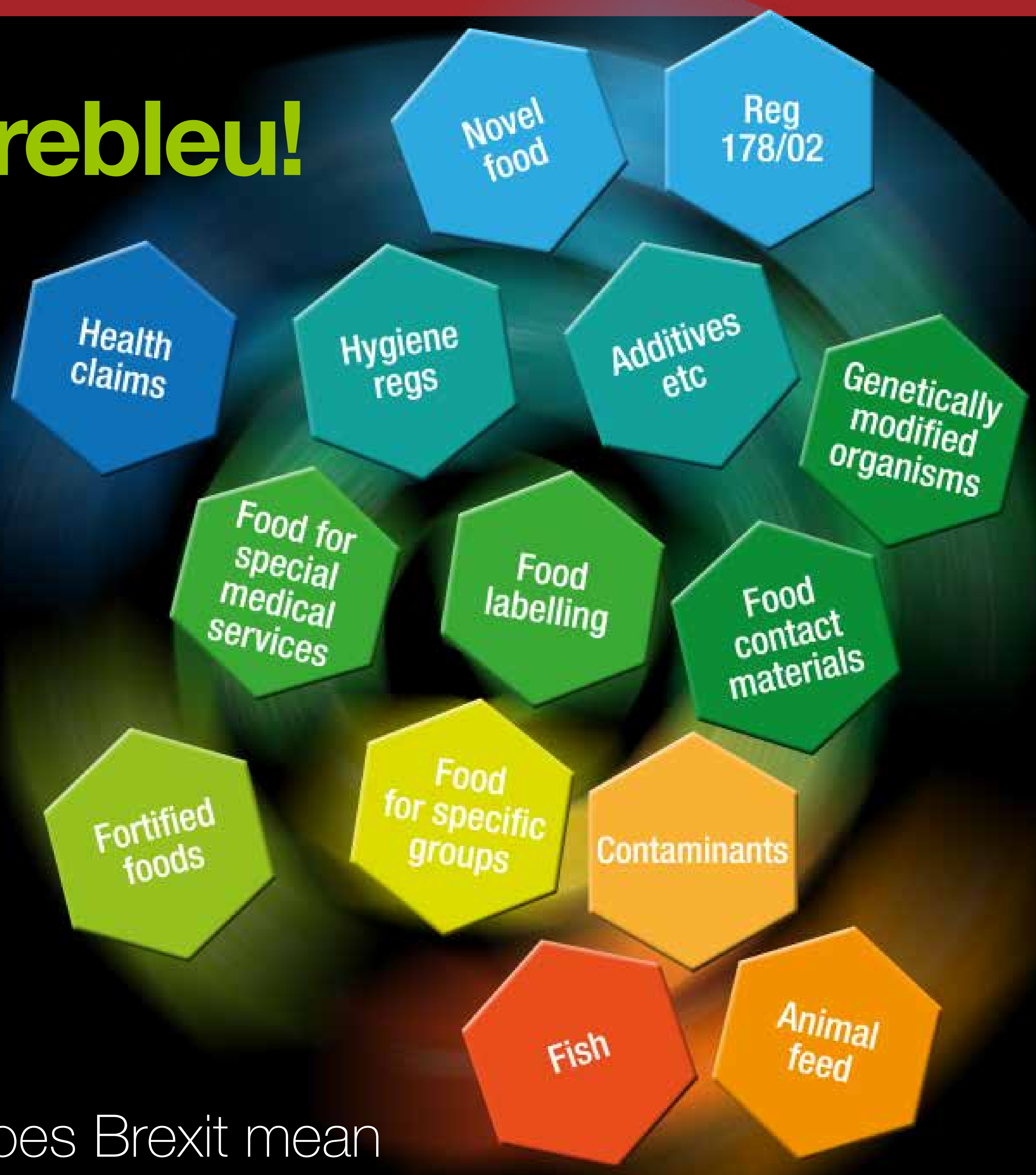
FOOTPRINT

SUSTAINABLE RESPONSIBLE BUSINESS | AUGUST 2016

Sacrebleu!



What does Brexit mean for green legislation, food labelling and labour costs?

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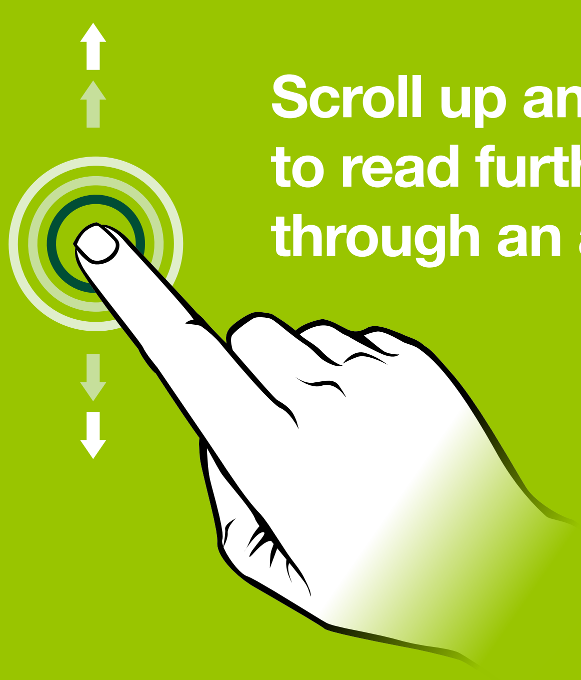

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Welcome to our Brexit special

Two referendums in two years – thank goodness I'm not Swiss (180 votes in 20 years) because I couldn't cope. But thanks to the June 23rd vote to leave the European Union there could be another one soon enough.

"I don't pretend that the option of independence would be straightforward," said Scotland's first minister, Nicola Sturgeon, in July. "The outlook for the UK is uncertainty, upheaval and unpredictability. In these circumstances, it may well be that the option that offers us the greatest certainty, stability and the maximum control over our own destiny is that of independence."

Recent YouGov polling suggests the public's reception for another independence vote is "lukewarm at best". However, article 50 of the Lisbon Treaty hasn't yet been triggered; doing so could well see the mood swing. Theresa May has said she won't push the button this year. So, for now at least, the political commentators can rest easy, safe in the knowledge that they won't want for things to write about.

> With respect to Westminster policy-making, it's increasingly hard to see the wood when the trees are being chopped

Which brings me to this issue of *Footprint*. Brexit has understandably dominated the news – mainstream, trade and consumer – for the past three months. And yet food and environmental issues rarely got a look-in. Professor Tim Lang, the director of the centre for food policy at City University London, noted in March that the decision to leave or remain was not simply a choice about farming: "The decision will affect the entire UK food system."

There could be massive upheaval ahead for your businesses. We have therefore enlisted six experts to analyse the key areas of concern (admittedly these are also moveable feasts). Everything from food labelling laws and employment models to food prices and waste regulations could be affected.

In Scotland, where 62% of the public voted to remain in the EU, the climate change secretary wasted no time in reassuring those concerned that Brexit could turn back the clock on years of environmental progress.

"We will be doing our absolute utmost to protect our position as climate change leaders, to continue to play the role that we have been playing in contributing to EU-wide environmental policies, and to make sure that we maintain, protect and advance our own environment," said Roseanna Cunningham.

> Campaigners branded a leaked draft of the obesity strategy as "pathetic", or perhaps more cuttingly as "the Responsibility Deal take two"

With respect to Westminster policymaking, it's increasingly hard to see the wood when the trees are being chopped. This month's Political Print has a rundown, but the big news is that DECC, the Department of Energy and Climate Change, is no more (its final move seemingly a last-minute snip to some renewable heat incentive schemes). The portfolios have moved to the new Department for Business, Energy and Industrial Strategy. Great news for the green agenda or an opportunity to dilute environmental laws? This issue's briefing page has the lowdown.

Brexit aside, life goes on, and there has been no shortage of other news and issues in the past eight weeks. Burgers have been a focus: Byron had a mission on its hands after a series of immigration raids, while in New York Impossible Foods' meat-free burger that "bleeds" arrived on Momofuku Nishi's menu. Writing for *Footprint*, the Good Food Institute's Emily Byrd offers a convincing argument that this could be a tipping point for plant-based menus: "The push to include more meatless items on the menu holds true not only for upscale or health-focused restaurants, but for fast food too."

Speaking of health, campaigners moved quickly to bash a leaked draft of the long-awaited childhood obesity strategy. "Pathetic" was how Action on Sugar reacted to the policies. And, perhaps more cuttingly: "It is the same Responsibility Deal take two." The PM's spokesman has since confirmed that the strategy probably won't appear before the autumn. Just in time for *Footprint* October … perhaps.

David Burrows is editor of *Footprint* magazine

The review

Byron burgers left bloodied by Twitter; organic meat sales up; and how firms are surviving with the living wage.

Bloodshed at Byron

It's been a bad week for Byron Hamburgers. The company has been at the centre of a social media storm after it "trapped" kitchen staff in an immigration sting.

Staff at a dozen outlets were reportedly called to meetings under the pretence of discussing cooking burgers (a hot food safety topic currently). Little did they know, however, that immigration officers lay in wait.

That Byron was in cahoots with Home Office officials didn't go down well in the Twittersphere. Stats pulled by Visibrain showed that in just 24 hours the hashtag #BoycottByron was used more than 8,000 times. Byron didn't comment and this only fuelled the public's ire. When it did finally react, it blamed the Home Office.

Agree or disagree with Byron's decision to take part in such a sting, the brand's handling of the situation left a lot to be desired. On the plus side, it's the perfect case study for other foodservice brands looking at how not to react in a PR crisis, explained Visibrain's head of communications, Georgina Parsons.

Even though it has since confirmed that it facilitated the raid at the Home Office's request, Byron had no plan in place. And this is a post-Brexit era when any story relating to immigration can quickly become front-page news.

"Whether they're embroiled in a national immigration scandal, or simply responding to someone who's found a fly in their soup, brands need to have a strong presence on Twitter – ready to react to crises, or to simply engage with their fans," said Parsons in an analysis for *Footprint*.

Science boosts organic sales

Sales of organic meat jumped 4.1% in the 12 weeks to June 18th 2016. The turnaround is remarkable – in 2015, sales fell by 8.1%.

What's going on? The Soil Association pointed to research published in February by Newcastle University showing that organic meat contains up to 50% more omega-3 fatty acids than non-organic meat.

The meta-analysis, published in the British Journal of Nutrition, received widespread coverage. The Soil Association said it did all it could to publicise the paper.

But some experts questioned the findings and criticised the authors for chasing headlines. It is a moot point. "Common sense doesn't sell newspapers," said Tim Clarke, the group marketing and innovation director of Innocent Drinks, at last year's Food Matters Live conference.

With journals competing for news space, some academics have suggested the editors are being lured by papers that make strident claims rather than those that have null outcomes but are well-designed. It is also a problem that the internet has created a race to get stories published fast and first.

The Newcastle study could well have helped boost sales of organic meat, but demand for local food is also likely to be fuelling demand. The popularity of the Soil Association's Food for Life catering mark is playing a part too.

Last month, the National Trust committed to the ethical standards scheme at 134 catering outlets across its sites. More than 14,800 approved meals are now served daily at National Trust properties.

Firms evolve with NLW

Data collected from 4,000 hospitality businesses shows that the average pay of a hospitality worker over the age of 25 as of June 2016 was £7.47 – 27p higher than the government's "national living wage".

Actual pay could rise "as high as £9.45 in 2020", said Mike Shipley, the analytics and insight solutions director of Fourth, which published the research. A recent survey by CGA Peach found that 65% of CEOs think the 2020 living wage target of £9 an hour is unrealistic.

With chef shortages, increasing wage competition from retailers, uncertainty stemming from Brexit and increases to living wages for under-24s, it's "imperative operators look at ways to improve their efficiency", said Shipley.

Many already are. A Resolution Foundation survey of 500 businesses found that of those firms affected by the national living wage, the most popular short-term action taken had been to increase prices (36%), followed by taking lower profits (29%).

Conversely, only 14% of firms whose wage bill had increased said they had used fewer workers, offered fewer hours to staff or slowed recruitment.

Just one in 12 (8%) said they had reduced aspects of the reward package, such as paid breaks, overtime or bank holiday pay. Perhaps many have thought better of it given the fallout from Caffè Nero's decision to cut free lunches for staff.

Responsibility Deal 'take two'

NGOs and industry are lining up to lobby the new government over sugar, fat and junk food advertising, but who will win the battle of ideas? By David Burrows.

The childhood obesity strategy has been delayed until autumn. It's hardly surprising. Though Jeremy Hunt, the health secretary and man leading the policy, kept his job in the post-referendum reshuffle, the new prime minister will want to pore over any major announcements.

Theresa May is apparently a stickler for detail, but the delay hasn't gone down with campaigners – or the NHS. "We urgently need an activist child obesity strategy, with comprehensive action on food reformulation, promotions and advertising," wrote the NHS England chief executive, Simon Stevens, in a piece for the *Daily Telegraph* last month.

Stevens, like others, has wasted no time in setting out his stall for the new government. The Food and Drink Federation has already published a Brexit manifesto. Entitled "A New UK-EU Relationship", it's more akin to a wish-list.

The FDF still wants access to skilled labour from the EU and continued tariff-free market access for both UK food and drink exports and imports of raw materials. The tax on sugary drinks should also be put on ice at a "time of such economic fragility".

> The sugar tax made it 1-0 to the campaigners. Looking at the recently leaked draft of the childhood obesity strategy, it's 1-1.

Health campaigners, unsurprisingly, don't agree. Using the vote to leave the EU as an excuse to weaken policies shows how quickly the FDF "seem to put short-term profits ahead of the longer-term physical and economic health of the nation", said Malcolm Clark from the Children's Food Campaign.

The levy took the industry by complete surprise, coming long before the full obesity strategy. In recent months, groups representing manufacturers, caterers and hospitality businesses have been complaining that they have no idea what the Department of Health is up to (the quiet winding up of the Responsibility Deal being another case in point). This isn't necessarily a good thing.

"It is vital for good policymaking that all sides in the debate make their case to legislators," said Jennifer Powers, the head of advocacy at Westbourne Communications. "In my experience, both industry and NGOs feel they are up against an implacable opponent who is in danger of winning the battle of ideas."

In losing the fight on a sugar tax, one might say it's 1-0 to the campaigners. Looking at the recently leaked draft of the childhood obesity strategy, it's now probably 1-1.

The proposals reportedly include a plan to reduce sugar content in food by 20% by 2020, but no set limits on fat content. There are also no specifics relating to marketing restrictions – such as the mooted ban on junk food adverts on TV before the 9pm watershed.

Graham MacGregor, the chairman of Action on Sugar and Consensus Action on Salt and Health (CASH) and a professor of cardiovascular medicine at Queen Mary University, said that what he has seen of the draft amounts to a "Responsibility Deal take two".

Both sides have all to play for, it seems.

My viewpoint

UK retailers are eager to join a push for cage-free eggs, but except for Sodexo, foodservice companies are too slow to follow suit. By Tracey Jones.

"For an organisation like ours, which has been campaigning for over 50 years to rid farming of all forms of cages, the last five weeks have been incredibly exciting. In quick succession, cage-free egg commitments were made in the UK by retailers Tesco, Aldi, Asda, Morrisons, Lidl and Iceland, as well as by the international foodservice firm Sodexo.

The speed with which these announcements were made demonstrates the power of market shift when forward-thinking brands lead the way. These pledges in the UK follow a domino effect of similar announcements by leading supermarkets and other food companies in the US including McDonald's, Walmart, Wendy's, Starbucks and TGI Friday's to name a very few.

There has undoubtedly been an awakening on animal welfare in the US, which has caused a ripple effect in the UK. The seismic shift under way across our country's retail sector means there will be no option but for foodservice companies to follow suit – both the weight of consumer expectation and the nature of supply is shifting.

There are already some high-profile companies leading the way: McDonald's UK has been free-range on both its whole and ingredient eggs for many years. It is justly proud of this achievement (as can be seen in this video, made when McDonald's UK won the Best Marketing Award at our Good Farm Animal Welfare Awards ceremony this year).

Good Egg Award winners at this year's ceremony included Pret A Manger UK, which already used free-range whole eggs but was recognised this year for going free-range for egg ingredients, as well as Pret A Manger US, which committed to going cage-free on ingredient as well as whole eggs. Meanwhile, Greene King, Gourmet Burger Kitchen and Mitchells & Butlers all committed to cage-free whole eggs. There is undoubtedly a groundswell of support for cage-free eggs among consumer-facing brands, although there are many that need to do more.

Retailers have made cage-free commitments but foodservice have been slow to follow suit.

The majority of non-consumer-facing foodservice companies have yet to make the shift. The shining exception to this rule is Sodexo, with its recent global cage-free egg announcement. Sodexo is the first big foodservice company to make a global cage-free commitment for both shell and liquid eggs, and we hope this marks the start of a domino effect across the sector, akin to the one we've recently seen in retail.

Sodexo's move raises the question of groups such as Compass and Elior: What's stopping you? Compass has already made a cage-free pledge in the US, but its UK counterpart is yet to do so. Elior has made no cage-free commitment to date. A cage is a cage in any jurisdiction, and we urge these businesses, and other foodservice companies, to commit to a worldwide halt on using caged eggs.

They might also consider that Camst – one of the largest foodservice companies in Italy – is committing to go cage-free on its egg products and shell eggs by 2025. This is the first large-scale Italian foodservice business to go cage-free on both and so could well be the catalyst for change that is needed in Italy.

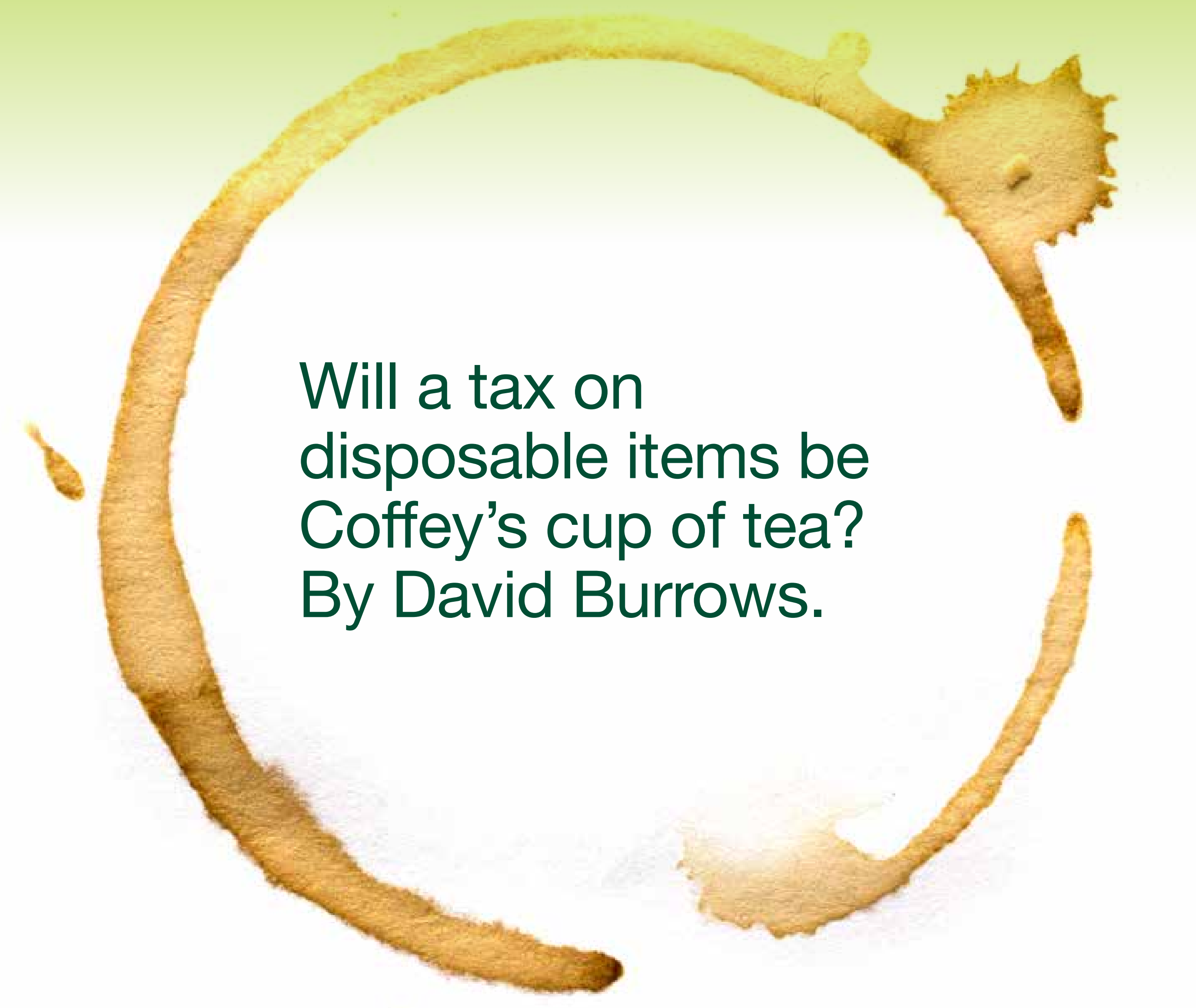
It is important for egg producers to find solutions to enable their buyers to meet these commitments, and to ensure their own businesses are able to thrive in a cage-free world. While we believe a cage-free era cannot come quickly enough, we also recognise the complexities involved in shifting supply chains, and ensuring high-quality cage-free systems take the place of the outmoded cage. We will continue to work with food businesses to help their egg suppliers find and implement production system changes that will offer the hens a good quality of life in rich and stimulating cage-free environments.

It is a time of major change for the welfare of laying hens in the UK and across the world; the hope that a cage-free day will dawn in modern egg production looks increasingly feasible. As more and more companies banish caged eggs from their shelves, those yet to make a pledge should ask themselves: are their businesses fit for a cage-free future?"

Tracey Jones is director of food business for Compassion in World Farming.

Behind the headlines

Plastic bags, paper cups and Pigouvian taxes



Will a tax on disposable items be Coffey's cup of tea? By David Burrows.

Hold the front page: the government has met – nay, exceeded – a waste target. Last month, DEFRA published data on plastic bag use. In the first six months of the bag tax in England, consumption has fallen to about 500m. That puts us on course to use about 1 billion bags this year – down from the 7 billion issued by seven main retailers in 2014. Hence claims that the tax has effectively cut consumption by 85%.

Announcing the introduction of the charge for plastic bags in October, the then resource minister, Rory Stewart, said: "We can expect a significant reduction in England, possibly by as much as 80% in supermarkets and 50% on the high street."

Well done, Rory. Not quite: Thérèse Coffey replaced him during the recent cabinet reshuffle. "Taking 6 billion plastic bags out of circulation is fantastic news for all of us," Coffey chirped.

It was a pleasant way for her to start the new job. But we must not become complacent, she added. "There is always more we can all do to reduce waste and recycle what we use."

> Is Coffey hinting at a cup tax? Or is that putting two and two together and coming up with five (pence)?

Is that a tantalising hint that Coffey is looking at whether the charge could work for other disposable items? Or is that putting two and two together and coming up with five (pence)?

In March, Stewart suggested a charge on disposable cups might be a "very good" idea – but he was quickly shot down by his civil servants. Scotland – a pioneer in progressive waste policies – is also looking at where it could implement similar Pigouvian taxes.

It would be surprising if DEFRA isn't at least assessing the possibility of another tax (the levy on sugary drinks means the Conservatives have broken their manifesto promise not to introduce any new taxes).

Jamie Oliver played no small part in that decision, and his fellow celebrity chef-cum-campaigner Hugh Fearnley-Whittingstall has made paper cup waste his next target.

> Costa has the brass neck to describe its cups as eco-friendly

HFW isn't calling for a tax. He wants coffee shop chains – principally Starbucks, Costa and Caffè Nero – to use cups that are actually recyclable. Looking at the claims made on their websites, it might appear that all is OK in the world of paper cup recycling.

Costa has the "brass neck" to describe its receptacles as "eco-friendly", explained HFW in the latest episode of his "War on Waste" series for BBC1. "Under close scrutiny and interrogation all these claims start to fall down," he added.

Hugh Fearnley-Whittingstall wants coffee shop chains – principally Starbucks, Costa and Caffè Nero – to use cups that are actually recyclable.

Starbucks, meanwhile, is "uselessly vague". "We're working on a solution to the challenges of paper cup waste," says Starbucks on its site, adding that "paper cups make up a small proportion of the waste produced in our stores".

HFW fails to mention that the vast majority of the cups are taken away: their portability certainly doesn't help those trying to capture and recycle them. Where they end up depends on availability of bins and collection systems as well as consumer ethics and education.

On the latter, he does have a point. The vast majority of paper cups are difficult to recycle. It's possible, but while more and more are ending up in a specialist processing plant via the Simply Cups scheme the number amounts to a tiny fraction of the 2.5 billion cups used every year.

Shouldn't there be a label on cups stating that they are "not recyclable", he asked Starbucks (the only company to agree to an interview)? Or why not use a new cup that is, apparently, easily recyclable?

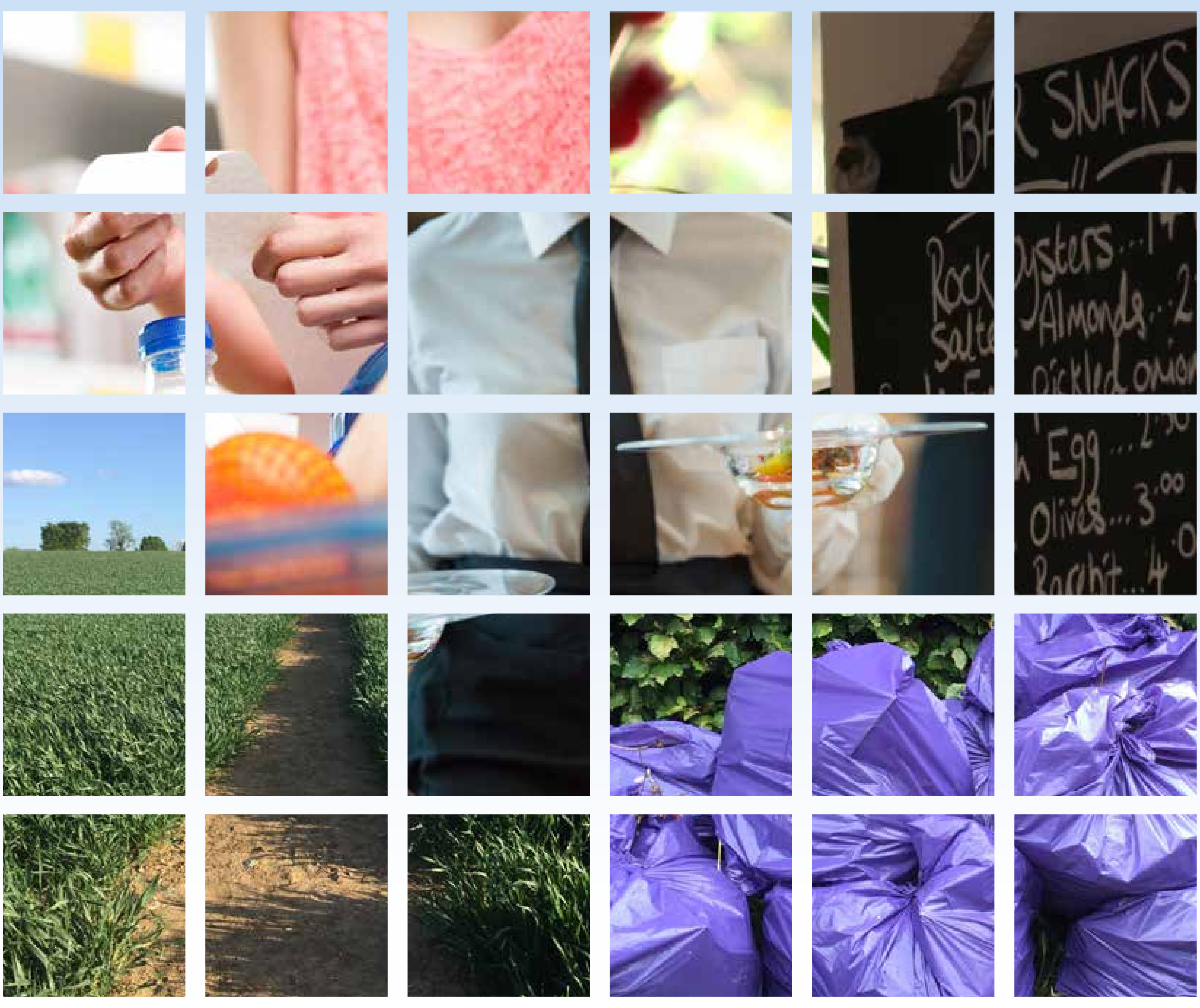
Starbucks has now said it's interested in testing the Frugalpac cup. The man behind the invention, Martin Myerscough, claims paper mills and reprocessors can work with the cup, given that the plastic lining is more easily separated from the paper. It's also lower in carbon (though the full life analysis is not being made available).

Given that it ticks all the right boxes, the sticking point could be the price. Which brings us back to a tax. A 5p charge on bags has shown that small actions can make a big difference. If Coffey does have cups in her sights, then it will at the very least keep the headline-makers happy.


Less water used
Biodegradable
Detergents
Improved MPG
Green Earth
Technology

What Brexit means for business

Experts assess in detail the fallout from the referendum in this 7-page Brexit special. But first, here are 10 things we have learned so far.



Number one: "Brexit means Brexit." Those were the words of the new prime minister, Theresa May. There have been quite a few changes in the past eight weeks and, if we're honest, it's been a struggle keeping up.

Leave won the referendum – 51.9% to 48.1% **(number 2)**. Unsurprisingly it made David Cameron sad, so much so that he decided to leave No 10. At first he was prepared to steady the ship, but then he decided it was better to jump straight away.

So it was goodbye to the leader of the greenest government ever. Or good riddance if you were Boris Johnson. Or so everyone thought. But while it was highly entertaining hoodwinking millions into voting for Brexit, dealing with the fallout won't be nearly as much fun (a conclusion that Nigel Farage has also come to).

And, after a brief and eventful "contest", May became leader of the Conservative party and PM by default. May has generally voted against measures to prevent climate change **(number 3)** and she's also installed Andrea "is climate change real?" Leadsom as her environment secretary. She also moved to demolish the Department of Energy and Climate Change.

Not the best start, perhaps. MPs have already demanded assurances that in the wake of Brexit the government will maintain environmental protection measures currently guaranteed by EU law. There was better news when the government backed the Committee on Climate Change's fifth carbon budget **(number 4)**.

The budgets act as stepping stones towards the target of 80% reduction by 2050 as set out in the Climate Change Act. Many experts have argued that EU policies have been good for the UK's environmental performance, but at least we have a national law to curb greenhouse gas emissions.

Whether the targets are met is another issue. The new Department for Business, Energy and Industrial Strategy **(number 5)** will certainly have its work cut out, especially if May has told Greg Clark, the business and energy secretary, to continue stripping back green policies.

Over at DEFRA, Leadsom will surely have her work cut out appeasing farmers concerned about leaving the golden goose that is the EU's Common Agricultural Policy. It won't be enough that she wants to kill foxes and cull badgers.

Speaking of culls, her department has been at the centre of a big one. DEFRA's core staff have been slashed by two-thirds over the past decade **(number 6)**. With further cuts planned, new policies will be few and far between.

Amid all the comings and goings, Jeremy Hunt managed to keep his job **(number 7)**. Still, May isn't quite sure that the health secretary's childhood obesity strategy (micromanaged by Cameron) is quite up to scratch. Campaigners who caught sight of a leaked draft in July tend to agree. "Pathetic" was Action on Sugar's reaction.

The tax on sugary drinks, pilloried by industry, had given health campaigners a taste of victory. Much like a can of Coke, the high was short-lived. Indeed, the Food and Drink Federation says Brexit means no sugar tax **(number 8)**.

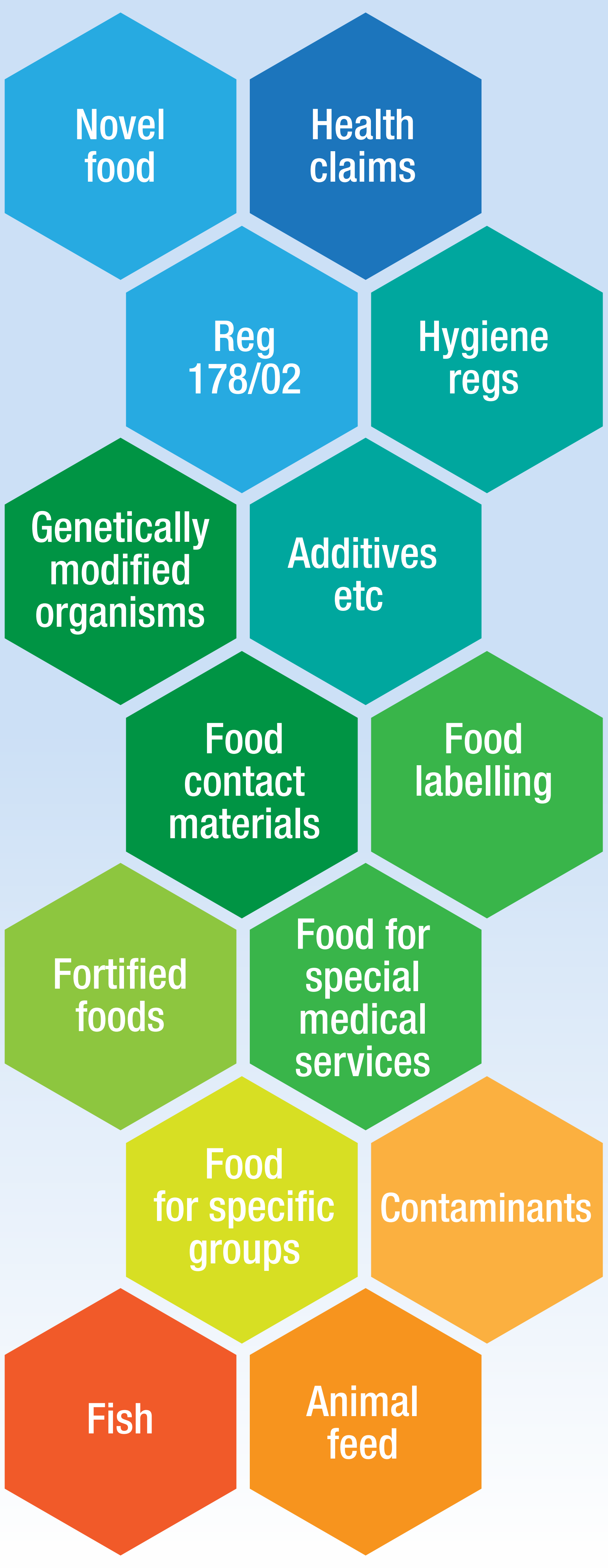
There is too much economic uncertainty to be implementing new red tape, so the argument goes. Access to labour is, of course, a biggie for the food industry. Up and down the supply chain, businesses are reliant on migrant workers, so a quota or bar on immigration will mean employment models have to change **(number 9)**.

It's unlikely that there will be dramatic changes to labour laws, especially if the European Union grants us continued access to the single market. Ditto food safety. If that's not the case then there could be a large legislative gap to plug **(number 10)**. Rules on the claims food companies make in marketing and on packs could be relaxed.

There will still be advertising rules, though. The same can't be said for political advertising, which allowed both sides of the referendum campaign to get carried away. But we are where we are, so the next six pages cover some of the major issues and opportunities facing those in the foodservice and hospitality sectors.

Food law in a post-Brexit world

The vote means massive uncertainty for an industry dominated by EU rules, but it also brings big opportunities. By Dominic Watkins.



For an industry that is almost 100% regulated by EU laws, the impact of Brexit could be substantial. Of course, my crystal ball is no better than anybody else's. And despite all the "we will thrive" comments emanating from Downing Street, no one knows just what the effects will be and how long they will last.

Theresa May's new cabinet is confronting a gargantuan task, with a vast amount of work to be undertaken and some big questions facing the country. Notably:

- Will Brexit have a long-term effect on the economy? Possibly.
- Will there be another Scottish independence referendum? Looking likely.
- Will Northern Ireland want to leave the UK too? Quite possibly, and ditto Gibraltar.

But those in the food sector will be wondering what the trading and regulatory landscape will look like in the future. We don't know. That's a concern, but more alarming is that, at the time of writing, there doesn't appear to be a plan. All this uncertainty creates both risk and opportunity for businesses.

So what happens now?

To leave the EU the UK government has to serve notice under article 50. From then the UK has two years to negotiate its exit. The UK would be expected to revert to individual membership of the World Trade Organisation (WTO), which would require certain commitments. However, the UK would also seek to secure certain minimum standards in terms of its relationship with the EU and other WTO members. Until now, the UK's trade relationship with the other WTO members has operated through the EU's WTO membership.

Worst of both worlds

Other European countries such as Switzerland and Norway have their own relationships with the EU. These have been painstakingly negotiated over years and could offer example frameworks of what might in theory be achieved – in time.

In return for free movement of goods there are many conditions to be respected, including respect for competition rules and other regulatory controls. Let's not forget that the UK would not be afforded a seat at the table to negotiate the content of the regulations that it is bound by. Some might call that the worst of both worlds.

> There could well be a large legislative gap to be plugged

Overlapping this is consideration of how the UK's legislative regime will look post-Brexit. Much of our food law is EU regulation, which when passed by the EU automatically comes into force here without need for any UK law. This presents the possibility of a legislative gap to be plugged.

One solution is the "cut and paste" approach: in other words, create legislation to replicate the EU requirements domestically. Another is to just allow the existing EU law to apply on an interim basis. A third option is to properly analyse the regime and determine what should remain. Such a consideration would be costly and time consuming, but if the UK is serious about presenting itself as a more attractive market then this could be a way to create opportunity for business.

The issue and the opportunity

Where could the opportunities lie? When we conducted our research with food manufacturers, 64% agreed that the limited changes introduced by the EU food labelling regulations imposed a disproportionate cost to businesses compared with the benefit to the consumer. Just under half (48%) saw EU packaging and product regulation as a threat to growth. So could our exit from the EU allow food manufacturers to cut costs?

The only answer, once again, is possibly. But consider the graphic above, which represents just some of the areas covered by EU regulation, and the scale of the task facing the government begins to emerge. And food is just one area of regulation.

> Brands could be permitted to advertise any health or nutrition claim they desired rather than just the limited list the EU permitted

To my mind, given that we want to trade with the EU it's unlikely that we will stray too far from EU regulations. It would actually be unhelpful in many cases to business if we did – increasing costs through dual standards. Having said that, if there are areas where adjustments can be made, now is the time to bring them to the government's attention: an opportunity which the Food and Drink Federation has already tried to seize.

For instance, many marketing teams would love to hear that, provided they had objective substantiation, they were permitted to advertise any health or nutrition claim they desired rather than just the limited list the EU permitted. Their flexibility and creativity may still be inhibited by regulators such as the Advertising Standards Authority, which may just look to the EU approved list for guidance on what is and what is not misleading and enforce accordingly, but again there is opportunity.

Dominic Watkins is head of the food group at law firm DWF.

Brexit Special

Food price and provenance in a post-Brexit world

The long-term picture is uncertain but in the short term food is only set to get dearer, writes David Read.

Fans of ITV's "The Only Way is Essex" will be familiar with its theme song "The Only Way is Up." For some time to come, this song is likely to become the mood music for food and drink pricing too.

Predicting food pricing is even more challenging than predicting the weather. And now, thanks to the June 23rd vote to leave the European Union, a large proportion of the levers that drive the price of food have either been moved dramatically or thrown into a state of complete uncertainty (see "Brexit impacts" below).

Let's not forget that the cost of food for caterers and consumers has been going down for the past couple of years, and is still doing so as I write. But even though some of the reasons for this decline remain in place, it looks pretty certain that the journey back into inflation has begun, on a trajectory that perhaps will become quite steep.

Short- to mid-term trends

There are many influences on food prices, and in recent times one of the most significant has been the strength of sterling. In 2014, we imported about 45% of what we eat, of which about two-thirds comes from the EU (see "Where our food comes from", below). In 2015, sterling appreciated against the euro by 9%, which on its own reduced the cost of food by more than 2%.

Brexit impacts

Many of the levers that drive food prices have either been moved dramatically or thrown into a state of complete uncertainty

Food and drink inflation key criteria	Brexit impact
Exchange rates	Yes
GDP growth	Maybe
Commodity markets	Maybe
Oil & energy prices	Yes
Labour/production costs	Yes
Tariffs	Yes
Global events	No
Weather & climate change	No
Population growth	No
Business M&A	No

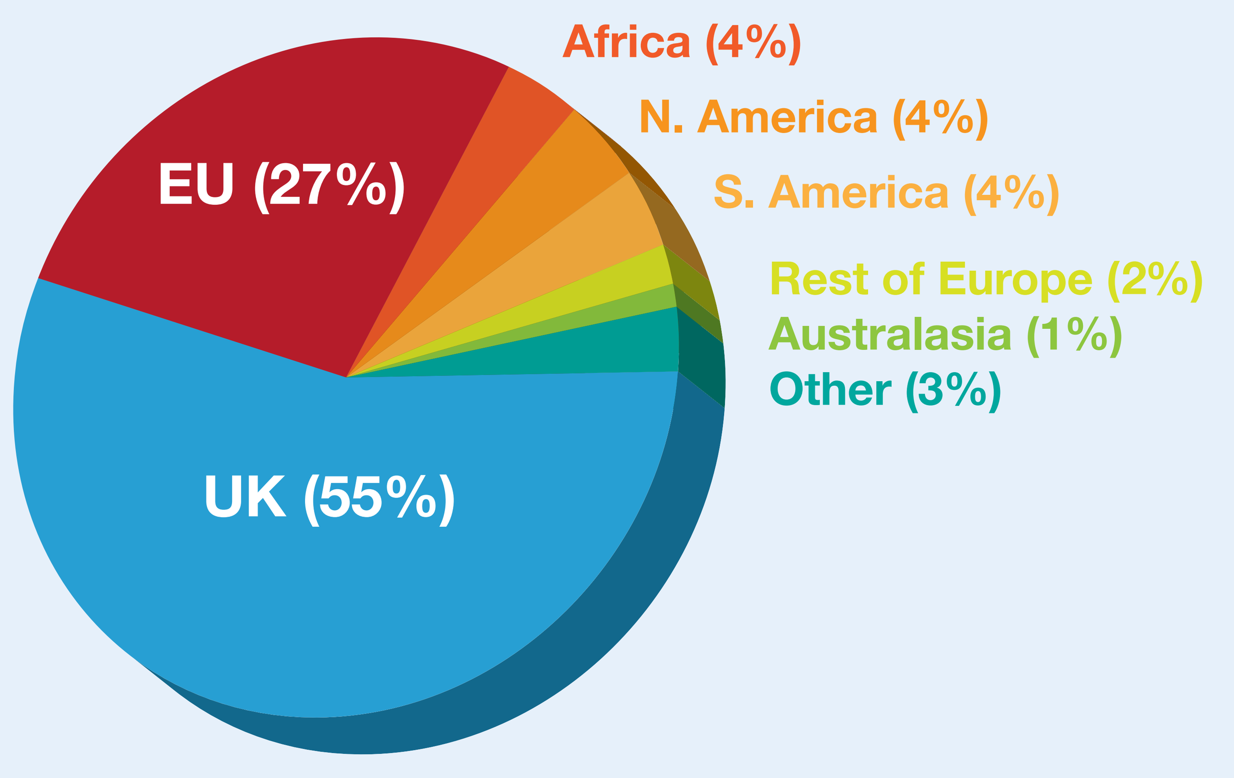
Source: Prestige Purchasing, 2016

In 2016, and caused by Brexit, sterling has declined 10% against the dollar and 13% against the euro. The consensus among currency analysts is that rates will come to rest at about 15-20% depreciation when the current instability is resolved. During the period that we are sitting in the EU departure lounge we can probably assume total food and drink costs to rise in the region of 5%-plus, taking effect as importers' hedging protection gradually reduces over the next six to 12 months. Sterling's weakness will also affect the cost of oil, which is now widely predicted to be on a long upward journey (the cost of transport is a major constituent in the price of food).

While we are sitting in the EU departure lounge we can probably assume a 5% rise in total food and drink costs

Food is not a limitless resource. As such, it's affected by many other factors, such as strong GDP growth, which can often raise demand and trigger changes to diet and consumption, commodity markets, labour and production costs. Thankfully, Brexit shouldn't affect these areas too much, though much has been written and said about the inflationary impact on our agricultural labour costs of the withdrawal of free movement of labour (see "Labour and wages in a post-Brexit world", overleaf).

Where our food comes from



Source: DEFRA, 2015

Like so many other areas this is one where the government's future policy and the content of our "divorce agreement" with the EU are difficult to predict at such an early stage. But GDP growth is expected to slow, both at home and elsewhere in the world, and this has historically been a deflationary influence.

Of course, 55% of what we eat is still produced in our home market – and will for the large part be much less affected by exchange rate movement – though in the short term a weaker pound will encourage export volumes, which may raise prices to some extent. As mentioned above, the much bigger influence on our home market will be the decisions and agreements we make regarding our exit arrangements.

Looking further ahead

As we leave the EU the big question on everyone's lips is: how will the government redistribute the cash it no longer sends to the EU – of which a healthy proportion is to support the Common Agricultural Policy (CAP)? For more than 40 years, UK farmers have relied on subsidies from the CAP, which is the very cornerstone of the EU, costing nearly 40% of its budget at €58 billion (£49 billion) a year. The CAP has two main pillars: direct payments, known as the Basic Payment Scheme (BPS), and funding for the wider rural economy. In 2015, UK farmers received almost €3.1 billion in direct payments, according to the National Farmers Union.

Farmers have access to the €5.2 billion pot of funding that has been allocated to the UK for rural development projects over the period 2014-2020, including €2.3 billion that has been transferred from the BPS to the UK rural development programmes. In total, 55% of total UK income from farming comes from CAP support.

Farmers are concerned that public opinion will argue against matching of the subsidies currently received from the EU

How the UK farming industry is supported once we leave the EU is critical – politically, financially, environmentally and from a food security perspective. No guarantees have been given by the government about what, if anything, will replace the CAP – although it is generally accepted that some form of alternative subsidy regime will be introduced.

Farmers are concerned that public opinion will argue against matching the EU subsidies, so primary producers may find that their incomes come under threat. This could result in many more going out of business and could also have a direct impact on food prices as supermarkets are forced to increase prices to ensure security of supply. As we are net contributors to the CAP currently, there are others that argue that the converse may be true.

Tough questions on tariffs

The big unknown is tariffs. It looks likely that the UK will have to renegotiate the terms of trade agreements previously concluded by the EU. To what extent and on what terms non-EU countries will be willing to establish trade agreements directly with the UK remains to be seen. Currently, about 40% of our fresh fruit and vegetables are grown in the EU, and more than half of our pork. Conversely, more than 80% of our food exports end up in the EU (see graph).

DEFRA has stated that a straight substitution of EU food imports from outside the EU calculated on existing tariffs would lead to an 11% rise in the cost of imported food. However, existing tariffs imposed on goods coming into the UK from outside the EU could be significantly reduced if default World Trade Organisation rules were applied without the UK adopting its own tariff regime. If this occurred, the result would be lower-cost imports. This will be a useful negotiating lever when we come to negotiate our own trade terms with the EU as a part of our divorce process (though the practicalities of importing fresh product such as fruit and vegetables from further afield in such enormous quantities will need some rigorous examination).

A straight substitution of EU food imports from outside the EU calculated on existing tariffs would lead to an 11% rise in the cost of imported food

A more pragmatic solution may be to re-join EFTA, the European Free Trade Association. As Britain was a founder member before we joined the EEC, as it was then, in 1973, we could almost certainly rejoin this organisation. EFTA membership would allow us to continue uninterrupted free-trade relations with the four EFTA countries, and also to participate in EFTA's promotion of free-trade deals with non-member countries around the world, including the EU.

In summary, there is a huge amount that right now can only be the subject of speculation. Until we actually leave the EU, food prices are likely to rise due to foreign exchange effects on oil and imported food, potentially dampened a little by GDP slowing. The decisions yet to be taken on the CAP and trading agreements, with both the EU and the rest of the world, are a significant risk to food costs in the future. The years ahead will be defining times.

David Read is chief executive of Prestige Purchasing.

Labour and wages in a post-Brexit world

Upheaval offers a chance to boost productivity, but labour shortages could be bad news for farming. By Kirsten Williams.

The decision by British voters to leave the European Union will have a profound impact on employment in the UK. Catering and hospitality will be particularly hard hit, and the referendum poses questions about the way forward for both industries.

Theresa May, the new prime minister, has already made it clear that despite her quiet support for the campaign to remain in the EU, there will be no reversal of the decision. Leading the UK into exit talks, May will probably prioritise reducing labour inflows into the country, not least because her failure as home secretary to meet targets to limit immigration is seen by her own supporters as her biggest political weakness.

With about 30% of its workforce being migrants, the foodservice sector will be directly affected by any quota or bar on EU immigration. Firms will therefore need to change their employment models – and this could be good news for employees.

The creation of stronger incentives to retain available personnel, for instance, and less contractual uncertainty and better long-term prospects could push up costs, but it could also improve productivity over the longer term.

> Firms will need to change their employment models – and this could be good news for employees

After leaving the EU, we could see a points-based immigration system, whereby businesses would be able to hire specialised chefs and other skilled workers from outside the bloc. Indian restaurants, for instance, have complained that UK efforts to reduce immigration have disproportionately affected their ability to recruit skilled chefs from the Indian subcontinent (see “The restaurant trade in a post-Brexit world” later in this supplement).

Drastic changes in UK labour legislation are unlikely. Laws will probably continue to mirror the standards set in Brussels in order to retain close trading ties with the EU. David Davis, the minister for Brexit, has already said he doesn’t support curtailing the employment rights of UK workers. The government is entering a difficult period: its leader has not led her party to a general election victory, its parliamentary majority is a slim parliamentary majority and it has had to create a new office to negotiate with the EU. I can’t see that changing employment legislation will be at the top of May’s agenda.

However, once Brexit negotiations begin, business groups have an opportunity to lobby the Conservative government to shape the terms of the EU negotiations and the wider policy context in their favour. We have already seen the likes of the National Farmers Union and Food and Drink Federation setting out their stall.

The future?

Politicians have refused to put a timeframe on a British withdrawal from the EU, but it’s likely to take between five and seven years, given the complexity of exit negotiations. With Davis, a leave supporter, at the helm of the Brexit ministry, we can expect to see article 50 triggered in early 2017, starting the chain of events that will remove the UK from the EU.

Brexit brings many challenges to the foodservice industries, chief among them a reduction in readily available labour. One likely scenario, if the government is unable to secure a quota system for EU immigration, is a noticeable shift towards automated service delivery.

> Chief among the challenges facing the sector will be a reduction in readily available labour

The catering industry cannot outsource to offshore hubs, but it can turn to technology to fill lower-paid tasks in food manufacturing, agriculture, food and beverage delivery services, and domestic services. Electronic ordering systems and even autonomous delivery carts are likely to become much more common. Restaurant and catering management, however, is likely to remain the domain of humans.

There are opportunities for expansion, with lower rents and property prices, particularly in London and the surrounding areas. As Britain searches further afield for alliances and trading partners, restaurants and catering businesses will be presented with new chances to expand into other areas of the world.

Many food businesses will also be casting worried glances in the direction of the farm gate. Labour-intensive British agriculture such as strawberry farming faces a labour shortage, leading to a drop in output. Some farmers are warning that a poor Brexit deal could spell the end of horticulture in the country.

British catering companies will potentially encounter sourcing problems and higher food costs, forcing them to look abroad for alternatives – and at a time when a weaker sterling makes imports more expensive. In the medium term, the UK is likely to seek trade agreements with non-EU agricultural producers, which could reduce tariffs on some imported foodstuffs

Kirsten Williams is a political risk analyst, Europe and Russia, for Allan & Associates, a consultancy specialising in security risk management.

Sustainable diets in a post-Brexit world

Britain is a long way from being self-sufficient – and now is the time to reshape the food industry with health and sustainability in mind, writes Duncan Williamson.

Food – how we grow, rear and catch it and what we eat – seemed to be largely missing from the Brexit debate. This strikes me as odd; it is the sector that will be most affected. The EU has a hand in almost every part of the food system. This includes taxes, trade deals, agriculture and fisheries subsidies, procurement, food safety and even the protected status of foods such as Stilton cheese and the Cornish pasty.

So what will Brexit mean for the food we put on our plates? As I am sure others will respond: it is hard to say. But this is an opportunity to make the UK a world leader when it comes to food laws and policy. We should seize the opportunity – and quickly – to shape food production in the UK, making it an exemplar to the world.

We know the UK government is committed to us eating more homegrown food. However, we are only about 54% self-sufficient; we grow a far smaller percentage of the fruit and vegetables we eat than ever before. We import the vast majority of our animal feed, with known impacts on areas such as the Cerrado in Brazil. The UK imports 30% of what we eat from the EU and we are dependent on it for fruit and vegetables.

In the UK we barely support our small farmers or horticultural industry. Our current farming system and the narrative from government is based on supporting the cereal and livestock sectors. Assuming business as usual, and what I believe is the most likely scenario, we will keep supporting these sectors at the cost of others.

This is an opportunity to make the UK a world leader when it comes to food laws and policy

There is the potential eradication of a commercial horticulture sector which is already underrepresented and does not receive subsidies. And yet a key part of any healthy sustainable diet is the need for it to be plant-based. There is huge risk that fruit and vegetable prices will go up and in turn people eat even less of them. Keeping the prices of other foods artificially low due to subsidies will only exacerbate this.

The big question for those connected to food is: how do we avoid this scenario and move to a thriving food system, which protects nature and provides people with affordable sustainable diets?

It must be a system that avoids the problems of the current one, which is focused on producing more calories, without taking account of nutritional outcomes or environmental effects. According to some estimates, diet-related ill-health kills more people than alcohol or smoking. The UK has become the fat man of Europe. This same food system is the main driver of biodiversity losses and causes soil erosion, water pollution and overfishing.

We need to challenge the mantra that we need to produce more food, whether it is 60% or 70% by 2050 or whatever the figure used. This is simply not true. We don't know how much more food we need. Already we could, if we chose to, feed 12 to 14 billion people globally. It is all about what we grow and catch. Do we want to keep growing sugar crops, biofuels and animal feed, while more than 2 billion people are overweight and 800 million go hungry? Or do we want a system that ensures healthy, varied diets that are good for us and the planet?

At least 12 departments have a responsibility for part of the food system, with policies often pulling in different directions

We have solutions. We know what a healthy diet looks like. WWF UK's Livewell has demonstrated that a healthy diet is plant based, with room for meat and treats. It is a diet that will lead to significant greenhouse gas reductions. Some companies recognise this and are working towards it, such as Sodexo with its Green and Lean programme.

The government has one of the biggest opportunities to enable this change. At least 12 departments have responsibility for part of the food system, with policies often pulling in different directions. The government needs to create a joined-up food policy, bringing together health, business, farming, the fishing industry, the environment and the Treasury. We can look to existing policies – such as the childhood obesity strategy, the Eatwell guide and the 25-year plans for food and farming and the one for nature – and make sure they are complementary.

Brexit is an opportunity to finally deliver on the need for sustainable diets as part of a food system that protects people and planet. We need the political will to do this, and to work in a cross-sector, co-ordinated manner to make these simple solutions a reality.

Duncan Williamson is food policy manager for WWF UK.

Environmental regulation in a post-Brexit world

Good news for UK foodservice: radical change is unlikely and the sector should be able to keep working to cut waste. By Mark Hilton and Dominic Hogg

The environment wasn't exactly prominent in the EU referendum debate – despite environmental professionals' concerns that, given the EU's role in setting standards, Brexit could prove regressive.

The form and implications of Brexit remain unclear. If the UK prioritises access to the single market, compliance with relevant directives will still probably be required; if not, the UK could shape its own rules. How far might foodservice businesses need to be affected?

Food has significant environmental impacts: according to WRAP, the UK generates about 10m tonnes of food waste a year, associated with 20m tonnes of CO_2e emissions (60% of which is avoidable). The waste is valued at £17 billion a year – in a country supposedly in the grip of austerity. Yet the foodservice sector isn't especially heavily regulated in environmental terms; much of the relevant regulation also applies to other sectors.

Some legislation that directly affects foodservice isn't EU-inspired. The Waste (Scotland) Regulations, for example, ban the use of macerators for food waste disposal and require Scottish food businesses (at least, non-rural ones that produce more than 5kg of food waste per week) to separate food waste for collection. Northern Ireland has implemented a similar measure, while Wales is expected soon to follow suit. Eunomia research for the Renewable Energy Association shows that mandatory separation of commercial food waste is likely to save businesses money, which experience in Scotland appears to bear out.

Brexit could prevent the recently published EU Circular Economy Package from reaching these shores. It proposes an aspirational target to halve food waste by 2030, in line with the UN target. Scotland already has a self-imposed target to cut food waste by 33% by 2025. For food businesses, reducing waste is commercial good sense: a focus on food waste prevention almost always reduces operating costs. Research for WRAP shows that savings often exceed 15%, while reductions of up to 40% can be achieved in settings such as buffet services.

Brexit, whatever its form, is therefore unlikely to trigger radical change in environmental legislation – although reviews could improve its effectiveness and efficiency

Other regulations affecting the foodservice sector do stem from the EU. The Animal By-Products Regulations limit how food waste from catering can be dealt with – for example, used as animal feed or not – so as to prevent the spread of diseases such as foot and mouth. Although framed in EU regulations, it was strongly shaped by UK concerns. Clarifying the rules on using catering waste as animal feed is high on the EU agenda, in part due to the loss in resource efficiency from preventing this unnecessarily. After Brexit, the UK could move faster; but with the last foot and mouth outbreak still fresh in mind, the political will may be lacking.

The Producer Responsibility (Packaging Waste) Regulations require businesses over certain thresholds to report how much packaging they handle, and to contribute towards its recycling by purchasing packaging recovery notes. The rules implement an EU directive, although their complexity is largely of our own making. Whatever form Brexit takes, DEFRA's review could simplify matters while also offering incentives to reduce the use of packaging that is difficult to recycle.

Various carrier bag charges now apply across the UK, with the devolved administrations again leading the way; the EU subsequently set targets to reduce single-use plastic bags. Charges have proved successful in encouraging reuse and reducing litter (as evidenced by DEFRA's recent announcement). Indeed, there are good arguments for similar levies on other single-use items, such as coffee cups and disposable cutlery.

Brexit, whatever its form, is therefore unlikely to trigger radical change in environmental legislation – although reviews could improve its effectiveness and efficiency. Recently, interesting changes have been driven as much by common sense and corporate responsibility as by regulation. The decision in France to require supermarkets to donate food that would otherwise be wasted to charities has captured the imagination. In the UK, more businesses are signing up to FareShare, Plan Zheroes and similar organisations.

There were, and are, choices to be made. Before the referendum, parts of the UK were already pursuing more progressive agendas. Their continuing leadership, alongside WRAP in England progressing initiatives such as Courtauld 2025, could allow the UK to continue to drive down waste post-Brexit, helping foodservice businesses to save money while reducing environmental effects.

Mark Hilton (left) is resource efficiency lead and Dominic Hogg (right) is founder and chairman of consultancy firm Eunomia.

The restaurant trade in a post-Brexit world

Restaurateurs fear rising ingredient prices and problems with labour as immigration is curbed, writes Dev Biswal.

My restaurants are my passion, but they are also my business. That's why my immediate thought the morning after the referendum was: how will the UK economy be affected? And then, how will this affect footfall in my restaurants and ultimately, my books?

Like many other restaurateurs, I fear that the economy could be weakened by us leaving the UK. If the housing market takes a dip, this will inevitably have an effect on the spending habits of my customers; after all, if money's tighter, it's natural to want to hold on to it rather spend it on a special meal.

> If fruit and veg prices go up will meal prices follow suit, or will the goodness in meals suffer?

When people start feeling the pinch, restaurants and luxury dining are the first to fall. And restaurants that sit within a certain price bracket suffer most in this scenario.

However, nothing is decided yet and we could see a resurgence in the economy, plus all the bonuses that come with this. For restaurateurs, this brings a noticeable increase in footfall and new faces through the door. Indeed, if more money does stay in the UK, leisure spending could go up.

Fruit and veg decline

But even if diners are able to pay for it, will there be food there to eat? This is the next question on the lips of many a chef or restaurateur.

The UK restaurant market sources a large proportion of its vegetables from the EU. If trading laws change as a result of Brexit, prices could rise and affect many businesses' bottom line. Some will increase meal prices. Others might even cut the amount of fruit and veg in dishes. Either way, it could be bad news for consumers.

However, here at the Ambrette we're great believers in using locally sourced UK produce wherever possible. Brexit could encourage others to do the same. If EU imports become more expensive, the positive consequence could be that produce options closer to home will be explored further – and we could see the rise of the British vegetable once more.

> My request to the government is: if you tighten one border, open another one

Labour is the other area of concern for those in foodservice. I'm proud to work with a truly international team across my three restaurants; a group of people for whom inspiration and ideas abound. Brexit may create a seesaw effect on labour: whatever the final deal looks like, where one group of people wins, another loses.

Four years ago, a change to UK immigration laws made it difficult to bring in skilled workers from outside the EU in order to encourage immigration from the EU. Like others, we found it more difficult to bring in skilled Indian chefs, for example, with an in-depth knowledge of their native country's cuisine to create our Indian fusion dishes. Soon we could see the situation reversed, which could bring new opportunities for cuisines like ours.

But curbing EU immigration won't just stop the free movement of people; whole cultures could be blocked, including food, language and traditions. So my request to the government is: if you tighten one border, open another one.

If EU immigration laws are tightened as part of Brexit, I hope that the process of employing highly skilled non-EU migrants will be made easier and that we will once again be able to easily welcome highly trained Indian chefs to our restaurants.

It goes without saying that Brexit will affect the UK restaurant industry in a number of ways. Whether these changes taste sweet or sour remains to be seen.

Dev Biswal is head chef and owner of the Ambrette restaurants in Kent and East Sussex.

Political Print

What difference will May make for the food industry as Britain heads for the EU exit?

If a week is a long time in politics the past six weeks must have felt like an eternity. Since the Print last went to press in June we have witnessed the resignation of a prime minister and the instatement of his successor; a civil war erupt within the Labour Party resulting in another leadership contest; and, sparking both of those, the small matter of the UK public voting to leave the European Union.

With the ramifications of Brexit set to take several years to untangle and the Labour leadership contest not reaching its climax until September, the most pressing political question for our sector is: what will a Theresa May-led government mean for food?

This is no straightforward question. May has forged a reputation in government not only as a safe pair of hands but as someone who keeps her own views close to her chest; "policy over ideology" has appeared to be the new prime minister's mantra to date.

This could all change, of course, and indeed May's early speeches have hinted at the sweeping vision for Britain that could define her time in office.

Notably for businesses, she has already pledged to tackle corporate irresponsibility and reform capitalism so that it works for everyone, not just the privileged few – remarkable words from a Conservative PM that could just as easily have come from the mouth of a Labour leader. Just how May intends to achieve this goal remains to be seen. She has spoken of employee representation on company boards as one specific policy proposal.

Theresa May has already pledged to tackle corporate irresponsibility and reform capitalism so that it works for everyone

Her commitment to driving through the Modern Slavery Act as home secretary, meanwhile, suggests a May administration will not tolerate abuses of labour in the supply chain. On this point, the food industry should take note as a sector that has had some murky labour practices, involving seafood and fresh produce supply chains in particular, exposed in recent years.

Beyond this, however, evidence for where May stands on issues of food policy is thin on the ground. Could it be, therefore, that the clues to May's priorities for food and the environment lie in her choice of secretaries of state?

Greg Clark, who will lead the new Department for Business, Energy and Industrial Strategy (BEIS), is known as a disciple of the climate change cause, which gives hope that climate policy will be embedded in BEIS's work rather than sidelined as some environmentalists fear.

Jeremy Hunt has held on to the health portfolio, but seems no closer to publishing his department's long-awaited childhood obesity strategy. Rumours abound that one of May's first acts as PM will be to delay or reverse the sugar tax under pressure from some quarters of the food industry – hardly the actions of a woman who wants to reform capitalism.

A rumoured delay of the sugar tax following pressure from part of industry is hardly the action of a woman who wants to reform capitalism

And then there is Andrea Leadsom at DEFRA. We know from her prominence in the leave campaign that Leadsom will throw her weight behind efforts to secure new free trade deals for the UK. We also know she wants restrictions on the number of immigrants coming into the country. Both positions will present challenges in her new role.

While there is significant support among farmers for Britain to be released from EU rules on agriculture, and enthusiasm for the export opportunities that free-trade deals may bring, there is also concern that competing on the global stage, adrift from the safety net of EU subsidies, brings risks for UK food and farming.

One need only look at the crisis in the dairy industry – where just months ago farmers were marching on Brussels to demand measures to ease cash flow difficulties – to understand how delicate such negotiations will be.

Environmental groups feel they have been sidelined in the ministerial rush to reassure nervous business leaders over the effect of Brexit

Leadsom has spent her early weeks shaking the hands of industry bigwigs and promising to build a great future for British food. Such posturing is obligatory for someone in her position, but Leadsom should not forget that she is in charge of a department responsible for the environment as well as for food and rural affairs.

There is a feeling among environmental groups that they have been sidelined in the ministerial rush to reassure nervous business leaders over the effect of Brexit. Leadsom will surely be aware that a thriving food industry relies on a thriving natural environment and NGOs will be pressing strongly for signs of coherence between DEFRA's plans for the environment and for food and farming.

Leadsom would also be well advised to work closely with colleagues in the Home Office and the new Department for Exiting the European Union to formulate a coherent plan for reducing immigration – if that is indeed the aim – while ensuring a sustainable long-term solution for access to agricultural labour in the UK. Tough talk on immigration is all very well in a referendum debate; it's not so easy a message to deliver to farmers reliant on migrant workers.

The immediate post-referendum fallout has started to subside now that a new government is fully formed, but the long-term political upheaval has only just begun. Food policy in the May era is about to get very interesting.

Briefing: embedding sustainability

Government changes in the wake of Brexit to share responsibility for green issues across multiple departments echo a practice that has been promoted for years in the corporate world, says Tom Idle.

All change at Whitehall

The UK's decision to leave the European Union triggered a series of changes at the heart of government. With David Cameron swiftly exiting his post, a new prime minister is in place. And the former home secretary Theresa May wasted no time in bringing about significant changes to the make-up of the top cabinet team, as well as switching out key ministerial posts. Central to this whirlwind of Whitehall activity was a decision to streamline government departments – a move that saw the Department of Energy and Climate Change (DECC) scrapped.

What, no more DECC?

Yes, that's right. And the move wasn't without its critics in the hours and days that followed the announcement. Former Labour leader Ed Miliband described the abolishment of DECC as "just plain stupid". "Climate not even mentioned in new department title. [It] matters because departments shape priorities, shape outcomes," he wrote on Twitter.

Not all commentators decried the decision, which will see an expanded department – the Department for Business, Energy and Industrial Strategy (BEIS) – take on responsibility for energy and climate policy development.

What about DEFRA?

DEFRA stays and its remit – to safeguard the natural environment, and support the farming sector and rural economy – remains unchanged. Andrea Leadsom, one of the leave campaign's most active advocates, takes on the role of environment secretary, replacing Liz Truss, who becomes justice secretary.

How do we know the abolishment of DECC will sideline sustainability issues?

We don't. But the likes of Ed Davey, who served as Liberal Democrat secretary of state at DECC between 2012 and 2015, claim that downgrading the Whitehall status of climate change sends out all the wrong signals, particularly to businesses and investors in need of confidence to invest in a low-carbon future.

It won't help that the government has previous form in sidelining environmental policies. Take waste, for example: one could argue that without a dedicated team focusing on building policy mechanisms to deal with waste, recycling and taking advantage of the benefits of a circular economy, the UK has faltered.

What's the alternative view?

The optimists suggest that filtering issues, such as energy and climate change, through other government departments that potentially have bigger budgets is a sign of embedding sustainability thinking across the political landscape.

What does that mean?

Just as risks associated with raw material sourcing, security of supply and a changing climate will affect every function of a food business from HR and procurement to finance, sales and marketing, the same could be said about energy and climate policies and the rest of government.

Think of it this way: if an individual department fails to secure the correct policy framework that builds resilience into our energy infrastructure and plays a significant role in the global effort to curb damaging greenhouse gas emissions, all other departments – those responsible for creating jobs, maintaining healthcare or building homes – will not be able to function properly.

Or like this: by embedding the responsibility of dealing with sustainability issues – which touch upon so many aspects of society and business – across multiple departments, there is a better chance of successfully implementing effective policy.

Haven't we heard the term 'embedding sustainability' before?

Yes, it is a concept promoted and developed by the likes of Chris Laszlo and Nadya Zhexembayeva (authors of "Embedded Sustainability: The Next Big Competitive Advantage") and has been championed by businesses everywhere for decades now. The most famous examples include Unilever and its Sustainable Living Plan and Nestlé and its Creating Shared Value approach.

Guided by enlightened and progressive CEOs, like Paul Polman of Unilever, these businesses aim to inform their strategic decision-making through a lens of sustainability – understanding and assessing their environmental and social risks, and steering the business on a course that takes into account a need to protect the planet and its people, while turning a profit.

So it's all about leadership, right?

You could say that. Without a vision from the top, embedding sustainability is really tough. With the UK Climate Change Act still very much in force and the global Paris agreement looming large, May's move to shake up government departments is a bold one. Whether she will retrospectively be considered as a progressive leader, championing sustainability in a similar vein to the likes of Polman, remains to be seen.

Tom Idle is a journalist and content creator specialising in sustainable business storytelling.

Less meat, more beet

Vegetarians might be turned off by plant-based burgers that sizzle and bleed, but it's just the start of innovation that will place meat-free front and centre, says Emily Byrd.

Increasing demand for healthy, sustainable foods coupled with innovations in food science has elevated meatless alternatives to new heights of quality. Those who suffered through the early days of chewy, uber-processed soy products would say it's about time. Now these options are not only tasty, they're actually trendy. Gone are the days of travelling to forsaken corners of the grocery store's freezer section; these items are being placed front and centre, both on the shelf and on the menu.

I had a little time to savour this fact over a first-class plant-based dinner recently. The Impossible Burger, by Impossible Foods, is the latest feat in plant-based meat alternatives. One of my fellow diners – a longtime vegan – was actually unable to eat the burger because of its marked similarity to the real deal.

Impossible Foods was able to reach this level of similarity through some cutting-edge food technology: isolating haem iron from plant sources and combining it with beet juice to make a burger with all the juiciness and texture of ground beef, but none of the negative environmental impacts. It isn't the only one pushing the boundaries either – the Beyond Burger made by Beyond Meat actually "bleeds" beetroot juice.

> 'Consumers are pushing animal protein to the side of the plate, sometimes entirely off it'

The experience of eating this, as well as other new meat-free products on the market, simultaneously satisfies the culinarian, nerd and environmentalist in me – and I'm clearly not alone. As Restaurant Hospitality puts it: "We've reached a tipping point for vegetables. Consumers are pushing animal protein to the side of the plate, sometimes entirely off it."

While this particular eating experience came complete with a white tablecloth, the push to include more meatless items on the menu holds true not only for upscale or health-focused restaurants but also for segments that have traditionally been ruled by cheap, low-quality, meaty options. I'm talking fast food.

In fact, the beet-juice-bleeding Impossible Burger served up to me was created with the ultimate goal of becoming the fast-food replacement burger: a substitute that would have a tremendous effect on reducing the pollution and environmental degradation that are the direct results of conventional animal agriculture.

Quick-service restaurants that have already invested in the vegetarian market are seeing very positive results. Pret A Manger serves as a prime example. When management decided to run an experiment and open a fully meat-free outlet, they did so as a future-facing, eco-conscious investment. They didn't expect the unit to turn any profit. Contrary to that belief, Veggie Pret generated a whopping 70% profit surge within the first few weeks of opening, starting conversations about converting more Pret units to veg-only outlets.

> The push to include more meatless items holds true not only for upscale restaurants, but fast food too

To ensure that these eco-friendly, profit-generating products get into more restaurants, big-name investors such as Bill Gates and the Alphabet CEO, Eric Schmidt, are promoting plant-based proteins. Even traditional food giants like Kellogg's and General Mills are using their venture capital arms to invest in plant-based food innovation.

In turn, new product development has been booming. New Wave Foods is using red algae and soy protein to create a plant-based popcorn shrimp, for instance, while the hyper-realistic Beyond Burger sold out within hours at its Whole Foods debut.

There are also less traditional organisations working as accelerators for the meat-free movement. Take my organisation. The Good Food Institute is a nonprofit with a goal to make these quality options broadly available while encouraging new research and development of plant-based meat alternatives. We're even looking down the road toward the production of "clean" meat, in which classic dishes like burgers and chicken can be grown in a culture without the need for hormones, antibiotics or animal slaughter, or the detrimental environmental effects of large-scale animal agriculture.

With the flurry of interest and innovation in food free from conventional animal agriculture, meat-free foods are becoming the latest rags-to-riches story – and they're wielding their A-list status with world-changing results.

Emily Byrd is communications manager at The Good Food Institute.