

# FOOTPRINT

SUSTAINABLE RESPONSIBLE BUSINESS

OCTOBER 2015

## Crisis? What crisis?

Major foodservice companies hit back at critics who suggest they are not paying a fair price for milk



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# Meet the team



## David Burrows, editor, *Footprint* magazine



A graduate in agriculture and environmental sciences, and a postgraduate in periodical journalism, David has spent the past 10 years as a writer and editor in B2B publishing. He has been editor of *Footprint* for three years, a role he combines with freelance writing for other titles including *Ends Europe*, *Retail Week*, *Marketing Week* and *Recycling & Waste World*. He has also worked for *The Grocer* and *Farmers Guardian*. Earlier in his career David spent time working for both DEFRA (on waste) and WWF-UK (as part of the One Planet Food team).

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## Nick Hughes, associate editor, *Footprint* magazine



Nick is a freelance journalist and editor specialising in food and environmental affairs. He previously worked for *The Grocer* and writes for a variety of trade and business titles including *The Grocer*, *Footprint* and *Retail Week*. During a spell at DEFRA, Nick worked as an adviser on the Elliott review of the integrity and assurance of food supply networks, commissioned by the government in the wake of the horse-meat scandal, and also works for WWF-UK as a food sustainability adviser. Nick has a master's degree in food policy from City University.

## Amy Fetzer news editor & features, *Footprint.digital*



Amy is a journalist, author and consultant specialising in sustainability. Amy's work focuses on creating engaging communications – from environmental white papers, research reports and articles to her book, briefing documents, case studies and workshops – that inspire, entertain and inform. Amy has an MSc in sustainable development from the University of Surrey.

Amy also co-authored the book "Climb the Green Ladder: Make Your Company and Career More Sustainable".

## James Eagle chief subeditor, *Footprint* magazine

James has subedited on national newspapers since 2003 and is currently on the Guardian's night news team. He is also a freelance magazine subeditor and book designer. He has been subediting *Footprint* magazine for the past two years.

## Anya Hart Dyke head of business development, *Footprint*



Anya has been working in sustainability for more than five years, specialising in the food industry since 2012. She also works on responsible procurement in the public sector and campaigns for greater transparency in company supply chains. In a previous life she worked on small arms control in the former Yugoslavia and latterly researched barriers to integration for ethnic and religious minorities in the UK.

## Nick Fenwicke-Clennell & Charles Miers founders and joint CEOs



We launched *Footprint* in 2007 when concerns for the environment were just becoming mainstream with consumers being encouraged to turn lights off, recycle and buy local. The word "sustainability" was barely on the radar.

Like many ideas, *Footprint* came about as the result of a conversation. The conversation we were having revolved around the futility of encouraging individuals to make small changes to lifestyle when the wider impact would be minimal. What was needed, we reasoned, was for the world's biggest organisations to take this on board, so that small changes would make major gains by the very nature of their size and volume of output. For our own interest we looked around for sources of information for interested companies and found none. *Footprint* was born.

When we went to market with the proposition, many thought it was a fad and a temporary marketing wheeze, while some paid lip service. However, a handful of forward-thinking businesses really got it and supported our quest. As soon as other businesses began to realise that "going green", as it was referred to then, actually fell within the realms of business efficiency with a resulting benefit to the bottom line, the penny began to drop.

# Can VW scandal drive businesses to change?

**A**S THE OWNER of a Seat car with a diesel engine, I've been following the whole VW scandal with a mixture of disappointment and concern. But truth be told I am not that surprised at the whole sorry state of affairs. This isn't the cynic in me, rather the realist.

We already know that the miles-per-gallon figures are pie in the sky, as well as the ones pertaining to carbon, so why should those for nitrogen oxides be any different? Sure, the scale of the deceit was on a much larger scale – and there are considerable health risks too – but the seed had been planted.

The regulatory system for testing performance and emissions has been due an overhaul for some time. Car manufacturers simply played on that. News that the UK government appears to have lobbied to keep the loopholes (which mean carbon emissions in the real world are 14% more than those claimed) is hardly surprising either.

As Will Hutton noted in the *Observer*: VW is further evidence that global business has become a law unto itself. “Capitalism in short may have boundless creative and innovative energy – but it also has boundless ways to go wrong,” he wrote. “Make god the share price, as so many British and US companies do, and you create one basket of problems – underinvestment, excess deal-making and cutting corners.”

It reminded me of another scandal. When horse-meat was discovered in everything from burgers to lasagnes, it was because criminals had targeted a chain that was beset with downward price pressures and modelled on high output and low quality. The regulatory system was also there for the taking.

The VW saga reminds me of another scandal which had its roots in underinvestment, excess deal-making and cutting corners: horse meat

It was therefore fascinating to hear Prof Chris Elliott's insight a year on from his review into the integrity of our food supply chains. He told me that he was deeply concerned that the food crime unit, one of his key recommendations, might take much longer than he planned to move from a passive intelligence-gathering mode to an active, operational one.

We don't yet know whether VW's bosses will face criminal charges but there's a long legal battle ahead for sure. Was it worth it? Those involved must have thought so. This is where the horse-meat scandal does differ – someone at VW made a conscious decision to flout the laws; the supermarkets and caterers were unaware that their supply chains were being adulterated.

Regardless, the buck had to stop somewhere. The prime minister's words at the time were along the lines of the fraud being a “completely unacceptable state of affairs. But it is worth making the point that ultimately retailers have to be responsible for what they sell and where it comes from.”

And this is key: responsibility. More than ever businesses must show that this quality extends beyond shareholders and to society at large and, of course, the environment. As Nick Hughes discusses later on in this month's magazine, firms have started talking about purpose.

He notes: “The idea of having a broader purpose beyond profit maximisation is increasingly becoming implicit in company mission statements from Sodexo's maxim of providing ‘Quality of life services’ to Nestlé's reshaping of its corporate identity in recent years to focus on ‘Nutrition, health and wellness’.”

These are not the endgame but merely the early signs of an evolution in the ways businesses see themselves, looking from the outside in. The VW affair will undoubtedly have put companies from all sectors in reflective mood. No business plans to be exposed in this way – whether it's for dodgy diesel emissions or using horse meat instead of beef – so I wonder whether more will start talking about proactive exposure.

As one retail representative told me when I was researching our cover feature on milk prices: “You have to be as transparent as you can – and not just on dairy [because] one way or another people will find out.”



**David Burrows** is editor of *Footprint* magazine

# News in review

Ministers' milk bill, the minimum wage and questions over ethical labels.



## A lot of bottle

LAST MONTH'S British Food Fortnight had the DEFRA press office in overdrive. There was the first regional British Food and Farming Plan event, a "new call for food labels to meet growing demand for local produce" (albeit using old research), millions in rural support funds and another "review of public sector food-buying habits to understand where more support could be offered to local dairy farmers".

The environment secretary, Elizabeth Truss, said: "I want to support the industry to become more resilient and ready to take advantage of the growing demand for British dairy both at home and overseas. That's why we are urgently pursuing a range of measures to build on best practice in the industry, provide better promotion of our world-class products, and boost support for local producers from the public sector including government departments, schools and hospitals."

It's good news indeed that Truss has managed to convince Number 10 to move from the traditional Whitehall-centric comfort zone of public food procurement policy (the current buying standards are only applicable to central government). A spokeswoman tells me that the review will consider more than just dairy products and show the proportion of public-sector pounds that are spent on British food and drink.

But the spotlight is on milk. Central government is doing its bit already, spending £11m with British dairy farms: "All fresh milk and more than 90% of butter and cheese bought in central government is British." Those are decent volumes but more pertinent in the current climate, surely, is whether the government is paying a fair price for its milk?

That figure is proving harder to find. Have things changed since the times of Jim Paice – the farming minister at the time of the last milk crisis three years ago who infamously didn't have a clue what the price of milk was because his wife bought it?

## Pay attention

THE NATIONAL minimum wage for those over the age of 21 has just gone up from £6.50 to £6.70. Apparently, 74% of businesses didn't realise. Apprentices also got their biggest ever pay rise this month – up 57p to £3.30 an hour.



The Department for Business, Innovation and Skills called the survey's findings a "revelation". It also discovered that: 22% of respondents didn't think full-time employees were eligible; 23% didn't think part-time employees were eligible; 32% didn't think agency employees were eligible; and 47% didn't think trainees or those on probation were eligible. The question is: did any of those asked know anything?

What's more, how will they cope come April next year with the new national living wage for those over 25? This will see pay jump from £6.70 to £7.20 an hour for that group – a shift that will add 3.6% to the wage bill of the foodservice sector and 2.8% to hospitality.

The policy has some pretty vocal opponents. The auguries are bad, they say, with redundancies and higher prices on the cards. "They", generally, being the CEOs of the companies affected and the ones about as far removed from the new baseline as anyone.

## Poisonous frog

THE LITTLE green frog took a bit of a kicking in a recent episode of BBC's File on Four. The programme visited a number of tea plantations certified by the Rainforest Alliance and found underage workers, people spraying chemicals without protective equipment and "living and working conditions are so bad, and wages so low, that tea workers and their families are left malnourished and vulnerable to fatal illnesses". PG Tips' owner Unilever, Tetley's Tata, Harrods and Twinings were also exposed.



The Rainforest Alliance is investigating the allegations. If there has been foul play, the farms could lose their certification. The system isn't perfect, a spokesman told the BBC, given that the audits are only on an annual basis.

This isn't the first ethical label that has been peeled back to reveal a few warts. Fairtrade, where quality has been an issue in some commodities like coffee, has been criticised as "fantastic at making rich Europeans think that they are good and fantastic at making money for European companies".

Ethical certification is undoubtedly big business, but the business case for it is eroding fast. Nestlé's corporate head of agriculture told *Footprint* last year that "we cannot certify people out of poverty" and even suggested that some ethical certification schemes are "cheating consumers".

More and more companies want to take things into their own hands – think direct trade. It can be more costly. They also lose the independent verification offered through a green frog or Fairtrade badge, but if those schemes can't be trusted to deliver, then why not go it alone?

# A healthier health service

NHS England wants to kick junk food out of hospitals as part of a £5m plan to improve staff wellbeing. But lucrative contracts with the likes of Costa could be a problem.



A SPOONFUL OF sugar may help the medicine go down, but NHS England is looking to restrict access to the white stuff at all the country's hospitals. In September, the organisation announced a £5m plan to improve the health of its staff, including what appears to be a ban on junk food.

Its chief executive, Simon Stevens, said it is unacceptable for health-sector organisations to be contracting with caterers which mainly sell foods that don't meet nutritional standards.

"It's time for PFI contractors and catering firms to smell the coffee – ditch junk food from hospitals and serve up affordable and healthy options instead. Staff, patients and visitors alike will all benefit," he added.

Stevens' plan – aimed at improving the wellbeing of 1.3m staff and cutting the £2.4 billion bill for staff absence due to poor health – will also involve officials at the country's trusts pushing for "easily understandable nutritional information and appropriate portion sizes". There was also a quasi-commitment to the Government Food Buying Standards. Even the products offered in vending machines should meet existing nutritional standards.

"It feels like the horse has bolted. We should have looked at this years ago and brought in a consistent approach to what we sell"

Phil Shelley, HCA

However, the biggest question mark relates to the relationship between trusts and their catering providers. Can cash-strapped trusts really force big high-street brands to change their menus and force them out if not?

The majority of England's 160 hospital trusts are struggling to survive and a lucrative deal with a popular coffee chain or fast-food outlet can bring in some much-needed additional revenue. An investigation by the *Telegraph* last year found 92 Costa Coffee shops at 71 trusts, 32 WH Smith stores (a brand that appears keener than any other to push cheap chocolate and sweets), a couple of Burger Kings and a Greggs.

The paper noted: "Addenbrooke's, the renowned heart and lung hospital in Cambridge, hosts a food court, with a Burger King, Costa Coffee, Starbucks and pizzeria. The trust's chief executive said he wanted to replace the Burger King restaurant with something healthier, but faced stiff financial penalties unless contractors agreed to changes."

Speaking to *Footprint*, Phil Shelley, the chair of the Hospital Caterers Association, said: "It feels like the horse has bolted a little bit. We should have looked at this years ago [and brought in] a consistent approach to what we sell. These companies have been on sites now for two years and it'll be very difficult to change the pattern."

The contracts with high-street chains are probably for a minimum of three years and generally between five and 10, according to Shelley. "In a PFI building that means you can sit comfortably for 10 years with a set income, but of course it brings other questions," he added.

"You have to agree the prices beforehand with these companies or they can take you to the cleaners"

Phil Shelley, HCA

Stevens has wasted no time in asking them. Last year, he said the health service needed to take "hard-nosed actions" to tackle obesity. Recently he turned his attention to the food companies.

"If you are marketing sugar-laden fizzy drinks and junk food at kids you have a responsibility to stop that," he said in an interview with the *Times*, also comparing junk food to smoking or drinking in pregnancy. "We had chocolate bars 20 years ago. What's changed is a combination of portion size and the ubiquity and affordability of these products for our children."

But while chocolate bars, fast food and fizzy drinks may be cheap as chips on the high street, in hospitals they are anything but. This concerns Shelley, who also leads the catering services at Musgrove Park Hospital, part of Taunton and Somerset NHS Foundation Trust.

The trust's retail partners "agreed to have the same prices as the high street but there are some areas of really bad practice and service station prices", he explained. "You have to agree the prices beforehand with these companies or they can take you to the cleaners."

Ten local NHS organisations and NHS England itself, collectively employing about 55,000 staff, have agreed to lead the implementation of Stevens' new programme. Each will commit to "ensuring patients and staff are always offered healthy options in restaurants, cafés and vending machines on site, and actively promoting healthier options through targeted promotions".

Shelley is aware that change needs to happen, but it will take time. "We are all trying to do the right things – offering discounted gyms, cycle sheds and showers [for staff]. If you offer all that and then have a supplier offering unhealthy food then it's not a consistent message. These companies are incredibly valuable to us as commercial partners, so we must work together."

# Organic food on the up again – but how far can it go?

Despite strong sales growth, work is needed to exploit the potential of a sector whose market share remains small.



THE LATEST annual retail sales figures have the Soil Association popping open the organic champagne. The Nielsen figures, for the 52 weeks ending August 15th 2015, showed growth of 3% compared with the previous year. That means organic food and drink sold through UK supermarkets is now worth £1.3bn.

Three per cent doesn't seem like much, but the days of double-digit growth for this market have long since passed. This was a sure sign that confidence is returning after an extremely difficult period, especially when the results are considered alongside the 1.2% fall in non-organic sales.

Finn Cottle, a trade consultant with the Soil Association, said this disparity was unusual. However, she noted anecdotal evidence from retailers that suggests it's real growth rather than organic simply becoming more expensive. "With deflation in non-organic any price increase in organic would also make the gap [between the two] even more stark."

Organic still has a premium price tag but it varies pretty significantly depending on the category. During the recession, milk, where there's very little premium, has fared well and dairy continues to be one of the sector's powerhouses thanks to the likes of Yeo Valley and Rachel's.

The horse-meat scandal gave organic meat a welcome kick in 2013, with the likes of Waitrose reporting a 52% lift in sales of its organic beef range. It's not quite clear how big the knock-on effect on the organic sector more widely has been since then, as consumer trust fell away and traceability came to the fore. "I wouldn't say [that scandal] was a turning point [but] it was a catalyst," Cottle said.

## The organic brand has struggled with its identity: is it healthier, greener, tastier, more trustworthy, or all of these?

Perhaps more significant was last year's research by Newcastle University showing that organic crops are 60% higher in a number of key antioxidants than those grown conventionally. The findings contradicted the Food Standards Agency's arguably more limited 2009 study that found "no important differences in nutrition content" between organic and non-organic fresh produce, meat or dairy.

The lead author of the Newcastle paper, Professor Carlo Leifert, said at the time: "This constitutes an important addition to the information currently available to consumers which until now has been confusing and in many cases is conflicting."

Part of this confusion stems from the organic brand's struggle with identity: is it healthier, greener, tastier, more trustworthy or all of these?

Does it really matter? The likes of the Soil Association will often point to surveys showing how willing shoppers are to buy greener products. Alongside the Nielsen results there was a nod to recent Mintel research showing that ethical concerns are a top priority when buying food and drink. This is what academics like to call the "30:3 phenomenon" whereby 30% of people describe themselves as "ethical purchasers" and yet ethical products rarely achieve more than 3% market share.

At £1.3 billion, organic has just 1.4% of the food and drink market, so clearly there is work to be done. Mike Watkins, the head of retailer and business insight at Nielsen, feels that "brands need to look for growth through new channels and to reach out to developing categories, such as alcoholic drinks, confectionary and snacks".

## "We are envious of other countries in which governments dictate the organic content in public procurement"

Finn Cottle, Soil Association

Foodservice is another area of "real growth" potential for organic (supermarket sales currently account for 70% of the overall market). In 2014 the organic catering sector ballooned by 13.6%. Organic food worth more than £7m, largely through the Food for Life Catering Mark, is being served in nurseries, hospitals, universities, workplaces and 3,300 schools.

But Cottle clearly feels there is more to come from public procurement: free school meals, childhood obesity and junk food in hospitals are all in the media and political spotlight currently. "There is such an opportunity here," she said, but "we are envious of other countries in which governments dictate the organic content in public procurement."

In 2011, the "Lazy Man of Europe" report highlighted how far ahead other European country's public procurement practices were: the Dutch government's "Criteria for the Sustainable Public Procurement of Catering", for example, demands that ministries' caterers use 40% organic products, while the Ministry of Agriculture, Nature and Food Quality aims to go one step further by using a minimum of 75% organic products.

In the UK, the government buying standards state that at least 10% of food by value should be certified as either organic or to other integrated farm management standards. But these standards only apply to central government, and many departments ignore them. Whether the new scorecard does any better remains to be seen.

When it comes to a range of organic food, "we want to make sure the likes of Brakes, 3663 and others can offer on paper what the supermarkets can on shelves," Cottle said.

# The numbers you need to know

Pay rises, potatoes and plastic bag charges.

## Sign of the times



More than 144,000 people signed a petition in support of a 7p charge on every regular-sized can of soft drink with added sugar. As is parliamentary protocol, the government considered the topic for debate. And then said no.

## Hit hard in the pocket



The hospitality sector's wage bill will rise 3.4% from April thanks to the new national living wage – that's twice that of any other industry and six times the national average. Price rises, profit falls and efficiency gains will all be employed to help firms cope with the change.

## Carried away



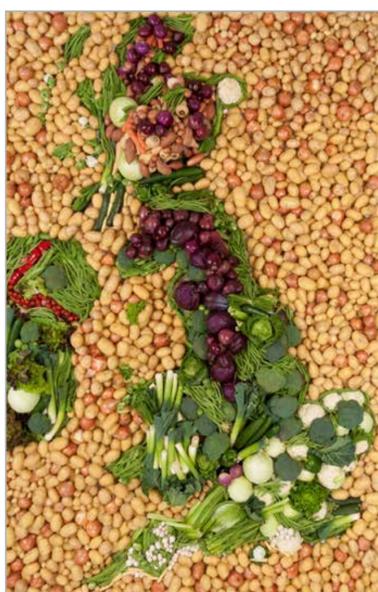
England has finally joined the rest of the UK with a 5p charge on plastic bags. However, it's chosen a rather more complicated scheme than many had hoped. Nevertheless, consumption of single-use bags is predicted to fall dramatically.

## British boost at McD's



McDonald's will source only British spuds, a plan that will reportedly result in an extra £9m for the country's farmers. Currently, 13% of the 250,000 tonnes of potatoes it uses each year are sourced from outside Britain.

## And the one that got away...



The environment secretary, Elizabeth Truss (pictured), has been pushing her commitment to British food too. In September she kicked off British Food Fortnight with "new research" showing that almost 80% of people want to buy local produce. The poll was actually published in June.

# Behind the headlines

## Living with the living wage



Foodservice will be hit hardest when the government's higher mandatory pay rate takes effect in April. How can firms find the extra money?



THE ASSOCIATION of Convenience Stores recently completed its annual survey of members. The results paint a bleak picture of business life when the national living wage (NLW) arrives in April next year:

- 62% said they would delay investment or expansion plans.
- 61% said they would cut staff hours.
- 58% said they would reduce the number of staff in their business.
- 40% said they would have to increase the number of hours they work in the business themselves.

“We are extremely concerned about wage rates being set for political reasons instead of being properly assessed by the independent Low Pay Commission,” said the ACS chief executive, James Lowman. Previous analysis by the ACS suggested that the policy has put 80,000 jobs at risk.

Others have sounded similar alarm bells about the Conservative government's plan, which will see the national minimum wage (£6.70 per hour) replaced by the higher NLW (£7.20 per hour, rising to £9 by 2020) for those over the age of 25.

“We were very surprised the chancellor made this announcement without consultation,” said Ufi Ibrahim, the chief executive of the British Hospitality Association. “Despite the chancellor trying to alleviate the pain with adjustments to corporation tax and employment allowances, these changes do not go far enough to reduce the impact on SMEs and mitigate potential job losses.”

In September, an analysis published by the Resolution Foundation showed that hospitality will be the hardest hit by the policy with a 3.4% increase in the sector's wage bill in 2020, twice that of any other industry.

But is all the talk of redundancies and closures realistic or merely hyperbole? Before the minimum wage was introduced in 1999, economists and politicians were likewise divided over its likely effect: the Conservatives, in opposition then, had been pushing fiercely against it, with predictions of huge job losses.

“The minimum wage didn't actually have a severe impact,” explained Conor D'Arcy, a policy analyst for the Resolution Foundation. This should offer some comfort to those faced with a bloated wage bill next April, he said, but if truth be told “we don't know what will happen. It's definitely a big challenge for the hospitality sector so I wouldn't be surprised that if we do see problems then they'll start to emerge in that sector. However, employers are also more adaptable than we expect.”

The *Financial Times* suggested that businesses would find the extra money by raising prices, reducing profits, shifting economic activity abroad, substituting machines for workers, or encouraging the employment of younger staff who are not eligible for the new rate.

Many companies will be weighing up which tactics can work for them, but the paper's analysis ignores the considerable savings that can be made through environmental improvements.

By the time the living wage is introduced next year, food waste could be costing foodservice and hospitality businesses £3 billion a year, according to WRAP. Experts at Ricardo-AEA have also calculated the vast energy savings possible in commercial kitchens, including £30m by changing cooking behaviour and £5.3m through improved dishwashing techniques.

Whitbread, which is expected to outline how it will mitigate the “substantial cost” of the NLW, has already confirmed that “efficiency savings” will be part of any plan. This from a business that has already introduced a “zero energy” coffee shop as owner of the Costa chain.

“A big shift in policy is the chance for businesses to look at their operations, what they are wasting and how they can cut back,” said D'Arcy. “These are things that firms worry about every day but this is the time to stop and look actually look at them.”

Some will see the shift in wage structures as an opportunity to go further and, as they reassess, commit to paying staff the “real” living wage. The government rate is based on median earnings while the Living Wage Foundation rate is calculated according to the cost of living. Ikea and Lidl have both recently announced that they will follow the foundation's rate of £7.85 an hour outside London and £9.15 in the capital.

“It's a nice marketing position for the likes of Lidl,” said D'Arcy, “and I think we'll see others going above and beyond.” Foodservice and hospitality companies will undoubtedly find that a bigger gap to jump, however, with many focused on how to pay the lower living wage first.



# Political Print

Free markets may trump farmers' interests in the battle over milk prices.

UK DAIRY FARMERS have achieved some notable victories in their campaign for a better deal, including new guarantees from retailers over the price they pay for liquid milk and milk as an ingredient in cheese. The government is also going in to bat for the sector, demanding a range of supportive measures from the EU including an advance in the basic payment – the subsidy farmers receive under the Common Agricultural Policy – to ease short-term cash flow concerns.

The mobilisation of forces by the National Farmers Union has been impressive and hints at the clout the organisation wields in the corridors of Westminster, most notably DEFRA, where ministers are said to be sympathetic to the NFU's agenda.



**Impressive force:** The mobilisation of forces by farming groups is producing results.

But beyond the government's hastily cobbled together policy initiatives and earnest promises to back British farmers, the milk price crisis has exposed a tension at the heart of UK food policy.

The integration of the global economy and removal of barriers to trade have been a key political and economic objective in recent decades, led by institutions such as the World Bank and IMF and supported by successive British governments. No government has embraced the free market ideology more enthusiastically than the current administration, whose fledgling 25-year Food and Farming Plan is dependent on breaking down trade barriers and opening up new export markets. The flip side is that British producers are more exposed to competitive pressures from overseas than ever before.

The primary cause of the plummeting price is an excess of liquid milk on the global market, thanks largely to the Russian import ban and falling demand in China. The removal of EU milk quotas in April this year is only likely to exacerbate the situation, with countries such as Ireland free to unleash their full productive potential.

## The milk price crisis has exposed a tension at the heart of government food policy

And herein lies the government's quandary. If market forces created the milk price crisis in the first place, how can the government be seen to be supporting British farmers without compromising its belief in the market as the most efficient means of allocating goods and services?

Any attempt to protect British farmers by holding back the flood of cheap imports would seem hypocritical in the extreme by a government hell bent on opening up new markets for British produce. The upshot is that the government must create an illusion whereby it appears to wholeheartedly support the British dairy industry without directly shielding farmers from the forces of globalisation.

In the event, we have seen Liz Truss, the environment secretary, deliver a response that sits comfortably within the government's low regulation/high growth narrative including calls in Brussels for the development of a new dairy futures market, similar to those that already exist for grain and sugar, and action to open new markets and reduce tariffs into existing export markets.

Domestically, Truss has pledged to improve the promotion of British dairy within the public sector, work with industry to make labelling and branding of British dairy products more consistent and lead delegations of dairy businesses to countries such as China with the aim of opening new export markets. Retailers have also been encouraged to increase support for dairy farmers through the prices they pay for British produce (ironically, this in itself is arguably a form of interventionism).

In the long term, the effect of the current milk price crisis is likely to be further consolidation in the UK dairy sector leading to greater production efficiencies, a result that would be welcomed by the UK government. Some, mainly small farmers, will inevitably drop out of the industry – such is the unforgiving nature of the market. But so long as the government can sell the narrative of protecting British farmers while pursuing a free-market agenda, it will consider this to be crisis averted rather than conflicted policy.



# Spectre of food fraud haunts the industry

A year on from his review of the horse-meat scandal, Prof Chris Elliott is impressed with retailers' reaction but warns that criminals may just have moved on to more vulnerable sectors.

**M**ARKS & SPENCER recently became the latest supermarket to move to a system of unannounced food audits. The objective is to “create resilient supply chains that are difficult to penetrate for those who want to do the wrong thing”, Paul Willgoss, the company’s director of food technology, told *Food Manufacture*. “We’ve spent a long time speaking with Chris Elliott and learning about what he felt the industry should do” to safeguard against fraud, he added.

It’s been a year since Prof Elliott, the director of the Institute for Global Food Security and pro-vice-chancellor of the Faculty of Health, Medicine and Life Sciences at Queen’s University Belfast, published his “review into the integrity and assurance of food supply chains” – a report triggered by the horse-meat scandal of 2013. He’s clearly been impressed with some of the industry reaction.

“There’s been a huge drive in the retail sector to make sure that they don’t get caught out again,” he explains. “Some of the really big players – the retailers and processors – have taken on board that they have to work more closely together. It doesn’t happen quickly and I get mixed reviews,” he says, but also “a lot of feedback to suggest it’s not as adversarial as it was”.

“My real fear is that the pressure points have changed and criminals are targeting SMEs and foodservice”

Even the trade associations have opened up, says Elliott, with the Food & Drink Federation and the British Retail Consortium “working hard to share information. I can’t find this kind of ‘association of associations’ happening anywhere else in the world,” he adds.

But this progress by food retailers has a twist in the tail. “My real fear is that the pressure points have changed and criminals are targeting SMEs [small to medium-sized enterprises] and foodservice,” Elliott says. “The foodservice chains do tend to be more complex and every link is a vulnerability.”

So how has the foodservice and hospitality sector reacted? Is there a real and present danger from fraud? And what commodities might the criminals target?

While the retail sector has been focused and vocal in responding to equine DNA found in some products, it’s much more difficult to discern how the hospitality and foodservice industry has reacted. After publication of the review, the British Hospitality Association (BHA) food expert John Dyson said: “Since the horse-meat incident our members have reviewed their testing programmes and taken action where possible to shorten their supply chains.”

A year on the BHA declined requests for an interview, or to provide responses to the following questions:

- In the past 12 months what has the BHA done to ensure the systems in place among its members are tightened to ensure we don’t have a repeat of the horsemeat scandal?
- What level of input has the BHA had into the work being done by the Food Standards Agency and DEFRA to ensure that all Elliott’s recommendations are met?

There was also no comment in response to Elliott’s stark warning. Instead the BHA offered a three-paragraph “food security update” published in its summer newsletter. This stated that the association “remains active with the FSA and DEFRA to support the expansion of their Food Crime Unit” and that it is “working with the FSA to support the growth of their technical response and industry communication functions to ensure we as a greater community are well prepared should we face a food crime or threat or food emergency”.

Is that enough? Given his concerns, Elliott remains to be convinced. “What worries me more than anything else is that the people making money from food fraud that see these efforts being made in one area will change tack and move on to another.”

A number of major foodservice players were found to have horse meat in their supply chains but there is precious little publicly available information about what any foodservice operator affected by the scandal has done since.

One industry observer suggests the BHA approach was less proactive than others, not least when it came to coordinating an industry-wide effort to gather intelligence and improve what the scandal exposed as a porous and complicated supply chain in some cases.

Elliott’s report suggested: “The food industry must above all else demonstrate that having a safe, high-integrity food system for the UK is their main responsibility and priority.” A number of major foodservice players were found to have horse meat in their supply chains but there is precious little publicly available information about what any foodservice operator affected by the scandal has done since.

The British Retail Consortium, which counts some foodservice companies among its number, has encouraged its members to bare all. “Maintaining the trust of the customer is critical to the long-term survival of any retailer in the age of mass information,” its director general, Helen Dickinson, wrote in a blog earlier this year. “Key to keeping that trust is making sure the business is as transparent and open as possible. It should come as no surprise, that the most successful retailers are those which make transparency a top priority, both in times of crisis when something does go wrong and also, crucially, in the ordinary course of business.”

There is no shortage of polls showing just how far trust levels fell on the back of the horse-meat scandal. This time last year Populus found that 32% weren’t confident that the food they bought contained exactly what was on the ingredients list. What’s more, 55% were worried that a fraud incident could happen again.

Twelve months on it’s unclear whether the foodservice sector has begun clawing back some of this trust. Equally unclear is what the industry has done to make sure there isn’t another scandal. What commodity might the criminals target next? “It’s really difficult to pick,” says Elliott, but it tends to be products sold in “high volumes or for high prices. Herbs and spices are incredibly vulnerable,” he adds, undoubtedly as another warning for the foodservice sector.



**Fraud fear:** Prof Elliott says retailers have tightened up their supply chains and that could see criminals target foodservice



# Back of house

Allegra McEvedy, the Footprint Award-winning chef, talks about animal welfare and the challenges of championing sustainability.



Allegra McEvedy (left) says she feels for the big companies striving to be more sustainable.

## When did you first become interested in animal welfare?

**Allegra McEvedy:** Fairly quickly after I left college in the early 90s. I was lucky enough to fall into some great forward-thinking restaurants that understood the value of good animal husbandry – both ethically and flavour-wise. Places like the River Café, where I worked in my early 20s, taught me the importance of rearing animals in natural surroundings. I became aware that it was not OK to just order blindly from suppliers (usually to an answerphone late at night after service). That was the industry standard at the time, and to some extent still is.

## How much of a priority was animal welfare at the high-end restaurants you used to work in?

**AM:** It's now much more on the agenda. Back in the day it was rare, now it's commonplace and it's definitely had a dribble down affect. But we are nowhere near where we want to be. About 10 years ago I did an article with the Guardian about British veal; at the time there was absolutely no awareness around the fact that male calves born from dairy cows were just killed – often brutally – at just a day or two old as they had no value to the farmer. Today British rose veal is proudly written on menus, as well as being stocked in Waitrose, so there is progress.

## You work with some leading retailers currently – can you tell us a bit more about that?

**AM:** That's where the real story is – the big guys – they are the ones who have the real challenges to face. Cost drives people into a corner because they have to produce food at a particular price point for the majority. Big businesses and high street caterers are really challenged. They know what they need to sell their food at to stay competitive in the marketplace and then you have the NGOs maintaining a hardline stance that quite simply does not add up financially for them, so they end up doing less than if there was a more softly-softly, step-by-step approach.

As someone who cares, understands and is a believer in the importance of ethical farming, I think the way forward is for NGOs to help the mega-players to try to find the middle ground, rather than digging their heels in. That's why I think that Compassion in World Farming does such a great job with its Farm Animal Welfare Awards.

## You once said you turned from doing posh food for posh people to the best food for most people. Do you think 'ethical' food still has the stigma of being expensive, and why?

**AM:** It's all changing a bit but it's still the case that good food costs more. Giving hens space to cluck around in, pigs to pig around in, it all costs money. Intensive farming is there to drive down the price. It is cheaper but it's not nice. Trying to make the best food for the most people is a good guidance point for me so you go for the best chickens at the best price.

## What have you done in your business to ensure there are high levels of animal welfare down the chain?

**AM:** I always visit the farms and the animals. When we were setting up [London bar and restaurant] Blackfoot we knew we needed to find the right pigs. Our main supplier is Dingley Dell – and every member of our team has been to their farm in Suffolk. We really believe that they can't talk about the food and feel happy with the way our pigs have been treated unless they've seen it with their own eyes.

## What have been the benefits?

**AM:** The fact that our team can all talk about our pigs with first-hand knowledge and absolute certainty that they've had a good life definitely gets through to our customers. I haven't straw-pollled it but my instinct is that most of our customers do care, want to know, and are happy to pay a bit more in the knowledge that the animals had a good life.

## What other aspects of your business's sustainability have you focused on?

**AM:** Fairtrade has always been there – I'm their patron now but even years ago it was something I banged on about. It just seemed so wrong that the people at the end of a long supply chain made all the profit and those who did all the initial hard work reaped so little reward. Last year I was lobbying supermarkets about the unfair price squeeze they've put on Fairtrade banana producers. I tend to try and focus on anywhere where you feel you might be heard: pick your fights to make the biggest difference.

## Is the government doing enough to promote sustainable, ethical food? If you could change or introduce one policy what would it be?

**AM:** No. They could always do more. In my opinion, they should abandon "sustainable intensification" – even the words seem like a contradiction – and work towards returning to genuinely sustainable farming methods that produce food we can trust. We've known for decades that at the current rate of population acceleration we are running out of food. But on the other hand there is growing awareness that all the quick-fix methods of production is just not sustainable. We are doing it wrong and the issue is: how do we feed our ever-growing population? It's a question we all need to address. I think we all have a responsibility to talk about these issues.

## Has winning the Footprint Special Achievement Award made an impact on the work that you do or how you view it?



**AM:** This amazing award sits next to my MBE, which I got for "promoting healthier eating and ethical sourcing in the UK". They are sat looking at each other. It has made me more committed but day-to-day it doesn't change anything as it's already a commitment I made to myself some years ago.

As well as the day-to-day stuff, I try to do something every newsworthy every month. I'm going to Palestine next month to meet an amazing group of women Fairtrade olive oil makers – these are ladies who despite their inclement surroundings seriously deserve to win. They have a fabulous product; all I try to do is to give a bit of support to those who deserve it.

# 15 seconds to halve food waste

Up to 10% of food is thrown away before it ever reaches a customer's plate.

Amy Fetzter discovers how a food waste tracking system is helping Sodexo to cut pre-consumer food waste.

Chefs often have an odd kind of blindness when it comes to seeing the volume of food they throw away. Every year, the hospitality and food sector is responsible for 600,000 tonnes of food waste, at a cost of over £2 billion.

Between 4-10% of this is pre-consumer waste – food that is thrown away without ever being sold to the consumer, usually due to overproduction, spoilage, inefficient trimming, or overcooking. It means food gets paid for three times – in resources, in labour and in disposal costs.

Measuring is often the first step towards management. As part of its quest to reduce carbon emissions by 34% by 2020, Sodexo trialled an electronic measuring and monitoring food waste system called LeanPath at several UK sites after using it successfully in America.

LeanPath tracks what kitchens are throwing away, typically helping them to halve their pre-consumer waste. It usually takes staff an extra 15-20 seconds to log waste into the LeanPath tracker, which is often an android tablet connected to Wifi. Staff weigh the waste, then tap in their name, the food type, specific food item and why it is being thrown away. The system responds with instant feedback, including the monetary value and environmental impact of the food being thrown away – both at that moment, as well as with a weekly and yearly amount if that same volume was wasted every day.

So, for example, the system could feedback that 12.5kg of overproduced vegetables amounts to £19.81; or £7,231 a year, with the equivalent environmental impact as one car on the road or 330 gallons of oil.

As the system feeds data into the cloud, alerts can be instantly sent and data can be viewed anywhere so that chefs and senior management can see what is being wasted, where. Hotspots can then be easily identified, both within outlets, and across the site.

“For environmental managers, this is the system’s biggest benefit,” says Paul Bracegirdle, environmental manager, Sodexo UK and Ireland. “I have visibility of food waste volumes across each of the sites on the programme via Leanpath’s on-line portal. There is no need for sites to send me reports and no requirement to spend time aggregating results as the system does this automatically. This really makes analysis and reporting very simple and quick.”

Management can then start working with the teams on the ground to put a target in place to reduce top offenders. The daily monitoring allows users to see if they’ve met targets, and to see what the next top five items are so these can be addressed.

The system, says co-founder Andrew Shakman, also makes the topic of waste “safe” by saying, “everyone has waste, lets talk about it, without assigning blame.”

And while it may be a hard sell to give time-stretched staff another job, Shakman insists that the response from initially resistant staff is overwhelmingly positive once they have become familiar with the system.

In part, this is because it helps them to feel good about the part they are playing in tackling food waste. Plus, psychological hooks, such as randomised incentives - like lottery wins – help to keep staff using the system.

And it does seem to work. During its pilot across four sites, Sodexo found that in just under three months of using the system, pre-consumer waste was reduced by 48%. This meant it went from a baseline of 809kgs a week to 415kg. This success has led to LeanPath being installed at six of Sodexo’s university contracts, while three more sites are in the pipeline.

Whilst LeanPath offer support, Sodexo found it was the sites themselves who came up with the interventions. “The staff were really motivated to tackle the waste,” Bracegirdle explains. “We’ve had staff asking, ‘Why do we prep the same amount of vegetables every day when we know we have variable sales?’ So we started monitoring sales more closely, so we can reduce the amount wasted.”

Staff came up with solutions such as turning unsold food into broths, soups and stocks, and unsold bread into croutons. Once the system had focussed their minds on where the hot spots were, tackling that type of waste and feeding back statistics and solutions became part of the regular team huddles that happened throughout the week at the beginning and end of shifts.

“When they realise how each piece of waste stacks up,” explains Bracegirdle, “it resonates with people. And when people start talking about food waste in tonnes, it gets a reaction. It’s creating that awareness that drives this. And the continual monitoring is important too. As soon as you stop monitoring, waste creeps back in, so your food costs increase again. But the best thing about it was the staff reaction. Once the waste is visible, they take on the challenge of tackling it in some very creative ways.”

Sodexo’s experience demonstrates how the combination of monitoring, feedback and creating a safe space to talk about food waste can unleash people’s creativity to find simple and imaginative solutions that save money and resources all in one.



# My Viewpoint

Now that David Cameron has admitted the value of free school meals it's time to push for every pupil in the country to get good, healthy food, says Rich Watts.



“WE’VE COME a long way since Turkey Twizzlers but the battle for healthier school food is not over yet. Our caterers have helped get this far and it would be short-sighted to stop now.

Since the implementation of the School Food Plan in 2013, school catering has raced to be the best, in quality and provenance. Caterers have responded fantastically to the challenges set by the Department for Education to find more local, sustainable food, and healthier ingredients, something the Soil Association’s Food for Life Catering Mark supports wholeheartedly.

Childhood obesity is now a cross-government priority, with a focus on primary schools – 10% of children enter primary school obese and 20% leave obese. Diet-related illnesses cost the NHS £10 billion every year. We need to reverse this trend. Ensuring pupils have at least one healthy meal a day is essential to tackling our national obesity crisis.

At last David Cameron has confirmed that he sees the value of universal infant free school meals (UIFSM) and now we can go full steam ahead to tackle the national obesity crisis. UIFSM was introduced as a way to ensure all infants get a nutritious school lunch (only 1% of packed lunches measure up nutritionally). It’s worked, with take-up over 85%, so there should be no reason for it to be brought into question in the first place.

But to maintain a healthy nation we must unite and safeguard school meals for the future. We’ve come too far and there is too much at stake – our children, your children, their health and our health. We need to build on the good work already seen in reception, year 1 and year 2, and make sure that older children can also benefit from good-quality school meals.

We have the research to show that all children benefit from free school meals but, notably, low-income children benefit the most. Their nutritional intake improved dramatically in the UIFSM pilot projects and academically children at these schools quickly moved ahead of their peers elsewhere, by almost a term. Imagine what the effect could be further up the school.

*We must unite and safeguard school meals for the future. We’ve come too far and there is too much at stake – our children, your children, their health and our health*

All children benefit from nutritionally balanced, fresh, varied food. Research commissioned by the School Food Plan and carried out by Opinium shows that almost a quarter of children benefit from the variety to their diets and a fifth will try new foods. This is primarily down to the introduction of free school meals to younger children.

The effects don’t stop at the school gate. Improving school food has benefits that reach into the community and beyond. Family attitudes to food can change as children take their understanding of food back home. More meals means more staff means more jobs, improving local and national economies. Caterers investing £1 in Food for Life Catering Mark menus return more than £3 to the local community, mostly in the form of food supply opportunities and jobs.

As the government shapes its Child Obesity Strategy, now is the time to measure how UIFSM is improving children’s nutrition during the school day. We need to take the power into our own hands and find new ways to ensure that children continue to choose school meals as they move into year 3 and beyond. Food must not only be healthy but it needs to be good quality.

If you are already pioneering positive change in your school it is essential you talk about the reaction of pupils and their parents to school food. No governmental funding is guaranteed forever so we need to make sure everyone knows how great school meals can be. Mobilise and motivate parents. I know that I would fight for my kids to eat better food and I am sure I am not the only one.

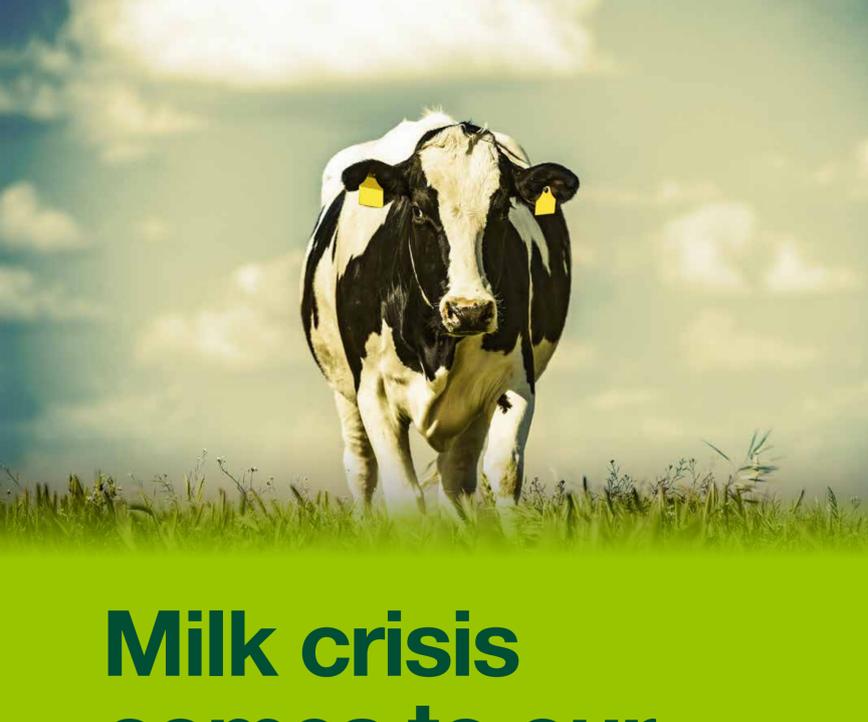
If you hold a Catering Mark, talk about it. One in three primary schools in the UK have a Catering Mark, showing that although many schools are taking steps to improve their food, there is still work to be done. If this is you, feel proud, but keep on fighting – go for silver and gold. This is how we will bring our nation’s school food up to standard and help cope with the growing strain of obesity and diet-related illness on the NHS.

And finally, don’t be tempted to join that race to the bottom. It’s a race that no one will win. It is not the finish line, it’s simply returning to our Turkey Twizzler starting point. No caterer, either individual or as an organisation, wants that to be their legacy. We need to boost UIFSM take-up even further to prove once and for all that it can, and will, succeed in ensuring every child eats well so they can learn well from their first days at school. It’s time to act. ”



**Rich Watts** is senior Catering Mark manager at the Soil Association.





# Milk crisis comes to our doorsteps

Farmers suffering from low prices have so far targeted supermarkets with their protest but foodservice firms can't afford to ignore the issue, writes David Burrows.



**T**HE MILK crisis has finally spilled over into the foodservice sector. In recent weeks retail representatives have been urging consumers and campaigners to challenge other food outlets on their procurement practices. The argument goes: if hospitality and foodservice took the same approach as retailers to sourcing and support, it would help alleviate some of the current problem.

Politicians have now jumped on the bandwagon. Last month, the environment secretary launched a review of buying habits across the public sector. "We are urgently pursuing a range of measures to build on best practice in the industry, provide better promotion of our world-class products, and boost support for local producers from the public sector including government departments, schools and hospitals," said Elizabeth Truss.

Her counterpart in Scotland, Richard Lochhead, has written to Starbucks, Costa, Caffè Nero, Greggs, McDonald's, Burger King, Pret A Manger and Subway to ask why they aren't using more locally sourced milk. "One in three Scots visit a coffee shop at least once a week, spending an average of £80,000 a day. Many will be shocked to learn the milk is often not Scottish, especially at a time when dairy farmers are struggling," he said.

*"You might want to look at a group that buys a tremendous amount of milk – and that's the government"*

But some observers suggest politicians may need to look closer to home. "You might want to look at a group that buys a tremendous amount of milk," says one senior retail industry source, "and that's the government. [It] should be transparent too."

So is the retail sector being unfairly targeted? Should the supply chains of contract caterers and high street foodservice brands be scrutinised more closely? And how can this help beleaguered dairy farmers?

This summer the average price of four pints of milk was the lowest since 2003. The current crisis is due to the global imbalance in supply and demand caused by political, climatic and economic events. In other words, it's not all the supermarkets' fault.

"We have never blamed retailers for causing the current crisis," says Siân Davies, the NFU chief dairy adviser, "but we maintain there are ways that British retailers can better support UK dairy farmers. We have to remember that 85% of the milk produced in the UK is consumed here, and the majority of this is purchased at retail – so retailers do have a responsibility."

Some have tried to use the global market to their advantage. The Agriculture and Horticulture Development Board dairy average figures are between 28 and 30 pence per litre (ppl) – far above the current UK average farm-gate price of 23ppl. "If retailers want to drive value out of the dairy supply chain by discounting on shelf they need to ensure they fund this themselves rather than take advantage of global issues that are completely out of the control of UK dairy farmers," Davies says.

*"We really struggle making inroads into the contract caterers and foodservice providers"*

That the farming sector's plight has not fallen on deaf ears is testament to the power the NFU wields, not least across Whitehall. Producers have emptied supermarket shelves of milk and marched in their thousands to raise awareness of the dairy crisis, both at home and in Brussels. Some supermarkets have already moved on price, while meetings with UK ministers to discuss longer-term security have been "productive".

"There was agreement that a widespread culture change is needed within the food supply chain to ensure that farmers see a fair share of risk and reward," the farming unions said in a statement after the most recent ministerial-level meeting. "The government and devolved ministers need to deliver on their promises, work together to achieve this culture change across the supply chain and to see real understanding of the cost of production to farmers."

The Conservative manifesto included a number of pledges to support British food and farming. In relation to public procurement the commitment was ambiguous: "We will ... back British food at home, by guaranteeing that all central government departments purchase food to British standards of production by the end of Parliament."

Take a look at the information being pushed out from DEFRA currently and the message to farmers remains: we've got your back. A six-month review will start soon to find out the proportion of British dairy products procured not just by central government but hospitals and schools. Officials say the aim is to identify the potential for future procurement opportunities.

That the government has started to look beyond Whitehall is good news. DEFRA says it wants to "build on the progress within central government – which is already generating £11m of business for dairy firms by ensuring that all fresh milk and more than 90% of butter and cheese bought in central government is British".

*"Foodservice companies will add a level of margin to their prices before passing the cost on to their customers – sometimes 30, 40% or more"*

But how much is it paying for the milk? An exact price isn't possible, DEFRA responds, because a number of different contractors are used. However, 92% of the food DEFRA buys meets the Government Buying Standards, which stipulate that dairy products must meet the voluntary code of practice on best practice on contractual relationships. This code is supposed to "reassure dairy farmers that their contracts are not putting them at a disadvantage in the marketplace". But at the last count DEFRA was only one of four departments that sourced 90% of food in line with the Government Buying Standards.

What's more, the dairy code is designed first and foremost to "deliver greater transparency and predictability in milk pricing arrangements". Truss has announced a new commitment to publish details of central government catering contracts, including their renewal dates, to bring "transparency to the market and allow dairy farmers the opportunity to prepare and compete for contracts". But the price paid for the milk will remain a mystery, it seems.

This could pose some awkward questions for Number 10 if the "back British food" PR push continues. There's unlikely to be a Jim Paice moment any time soon – the former farming minister who didn't know the price of milk because his wife bought it – but politicians will need to tread more carefully, especially if they go on the attack and demand that businesses support farmers.

Last month, Lochhead used the Aroma café in Edinburgh's Western General Hospital for a press meeting in recognition of the chain's policy of sourcing 100% Scottish milk. The café's supplier is Graham's Family Dairy, which was last year awarded the contract to supply the whole of NHS Scotland with its milk. However, faced with a glut of milk from its farmers, Graham's slashed the price it paid at the farm gate by 1.5ppl, and 7ppl for the surplus litres this year. "There was just too much milk around so we had no choice," its MD, Robert Graham, [told the Grocer](#) in July.

Suppliers were none-too-happy. NFU Scotland's Graeme Kilpatrick said at the time that "milk buyers have a duty to alert producers in a reasonable fashion so that they can adjust their production and avoid the damaging impact sudden price changes can have".

Markets are currently extremely volatile, and have been for the past decade in the dairy sector. Shaun Allen, purchasing operations director for Prestige Purchasing, says more needs to be done to develop a more sustainable and stable way of working together between farmers, producers, suppliers and buyers. This should be seen as an opportunity, he adds (see boxout).

However, the foodservice sector is notoriously hard one to reach. "We really struggle making inroads into the contract caterers and foodservice providers," Davies explains. The contract caterers in particular have rarely attracted the scrutiny that retailers have faced.

"As milk buyers in the UK, [we] are a small player, representing less than 0.5% of the market," reads a statement from high street chain Costa. A Gather & Gather spokesman heads down a similar track: "The total production of milk in the UK [was] approximately 14.4 billion litres in 2014; [we] purchased approximately 2.8 million litres, 0.02% of total UK milk production."

The companies suggest they are merely putting things into perspective. With milk there is an argument that the volumes bought and sold pale in comparison to those from supermarkets, but they are far from insignificant and it's certainly not an excuse to slip under the radar. As Davies suggests, the individual volumes may be small, but together the sector does have a role in supporting UK dairy.

And some are, with Costa singled out for praise – they are "leading the way" among the UK's coffee shops, according to Davies – thanks to a cost-of-production scheme. Gather & Gather also pays a premium over and above DEFRA's 24.5ppl farm-gate price.

Joanne Sexton, the procurement manager for Acquire Services, is adamant that the foodservice sector is generally paying more for its milk than the retailers. "Having been immersed in the foodservice sector for over 20 years and working as the procurement partner with many trusted suppliers, we know the foodservice sector pays more for milk than the retail sector."

*Footprint* approached 10 of the major foodservice providers to find out. None offered a price, and only two – Sodexo and Gather & Gather – said they would be willing to publish the figure, with the caveat that everyone else did too. This response from the CH&Co communications director, Andrew Merrett, perhaps best illustrates the industry's take on price transparency: "The challenge for contract caterers in publishing prices is that a company's product prices can provide competitive advantage over other caterers and are therefore commercially sensitive."

An industry observer offers a deeper insight into foodservice firms' reticence. "One of the reasons is that they will add a level of margin to their prices before passing the cost on to their customers – sometimes 30, 40% or more. If their net price is in the marketplace it could undermine their commercial position with their clients."

So if the government published its milk price, especially at department level, could it create mayhem? Perhaps. On the other hand, could it provide the much-needed transparency and stability the supply chain so desperately needs? Davies says: "The consumer price and the farm-gate price is well known and publicised. If foodservice providers and caterers have nothing to hide in the way they support British dairy farmers they should be more vocal in how they do so."

Transparency is a word that government has used often in its recent communications. The retail sector has also put the theme front and centre – a flurry of high-profile scandals including the horse-meat discovery and the Rana Plaza factory disaster in Bangladesh has left it with no option. The dairy crisis is the latest test.

"We are going out of way to be transparent," says the British Retail Consortium's external affairs director, Fintan Hastings. "You have to be as transparent as you can – and not just on dairy [because] one way or another people will find out." The government, its contract contractors and even high-street coffee chains have all been warned.

## Small volumes belie influence



"There are opportunities for the UK foodservice industry to have a greater influence on the price paid to the farmers. While there are some examples where direct and collaborative relationships already exist and prices are agreed with local producers and farmers, this tends to be on a relatively small scale. It would require a fundamental change in mindset with a strategic and collaborative approach from operators, food service suppliers, processors and dairy farmers to develop a more stable and sustainable supply solution."

**Shaun Allen, purchasing operations director, Prestige Purchasing**

## Many variables



"There are various factors to take into consideration when looking at how the different sectors buy milk (and indeed how much they pay for it). For example, logistically the foodservice sector is required to distribute smaller quantities which incurs additional costs; unlike the multiples who can consolidate deliveries into a centralised distribution centre. There is of course the fact that the multiples are buying in larger quantities so have more bargaining power with regards to pricing. In the retail sector this commodity is kept at low margins, and in some cases a loss leader. Therefore one must question what price has been paid to the farmers to continually keep the margins low."

**Joanne Sexton, procurement manager, Acquire Services**





# No such thing as a free lunch?

Nick Hughes assesses the five things we have learned about the hotly debated free school meals policy.



IT'S JUST over a year since the coalition government rolled out its universal infant free school meals (UFSM) programme whereby all government-funded schools must offer free school meals to every pupil in reception, year 1 and year 2.

The move was prompted by the publication of the government-commissioned School Food Plan, which recommended the introduction of free school meals for primary school children based partly on the results of pilots initiated under the previous Labour government which showed clear academic benefits for students who receive free school meals.

The policy is not without its critics, however, many of whom are Conservatives ideologically opposed to the idea of universal benefits. With schools well into the second year of implementation, here are five things we have learned about UFSM to date:



**For the chop.** Reports suggest that the free school meals scheme is at risk in chancellor George Osborne's upcoming spending review.

## 1 Take-up is in line with projections

Despite a recent report in the *Telegraph* that take-up in some areas has been as low as 30% the overall picture is a positive one. Recent statistics published by the Department for Education (DfE) show take-up of free school meals among eligible pupils of more than 85%, representing about 1.6m children – up from approximately 300,000 who were receiving free school meals before entitlement was made universal and close to the 87% projected by the DfE. Carrienne Bishop, the national chair of the Lead Association for Catering in Education (LACA), describes the figure as “a massive achievement” but adds: “We must work hard to ensure that all children take advantage of the free, healthy food that is on offer to them.”

## 2 Funding remains a challenge

Questions over how cash-strapped schools would be able to fund free school meals dominated the debate after the policy was announced. “Any negativity we’ve come across is nearly always directed at the speed with which the policy was introduced and the need for more funding to make it work even harder for children,” says Jo McGarrigle, who leads part of the government-funded support service for schools run by the Children’s Food Trust and LACA.

Funding is based on a rate of £2.30 for each meal taken by eligible pupils based on an assumption that pupils will take 190 school meals in the course of a full academic year. Schools can also apply for capital funding to help pay for improvements to kitchen and dining facilities.

The government allocated £150m of capital funding to support the rollout of UFSM in the 2014-15 financial year – and much of it went to schools lacking the infrastructure to prepare fresh meals. An extra £10m has been made available in 2015-16, £8.5m of which went to the 11 local authorities with the lowest take-up of school meals among their infant pupils.

McGarrigle says continued capital funding for improving school kitchens and dining spaces in all schools is essential. “We’ve campaigned for many years about this: if we want more and more children to choose the school meal experience, we need decent infrastructure and systems to make it happen.”

## 3 The support of headteachers is key

Gaining the support of headteachers, many of whom are already facing intense budgetary pressures, was always going to be critical to the policy’s success. After [reports in the national press](#) that the policy lacked support, the head of the School Food Plan, Myles Bremner, publicly stated his belief that the vast majority of headteachers believe in the policy. Bremner’s assertion is supported by the National Association of Head Teachers, whose general secretary, Russell Hobby, says: “After all the money and time invested, the policy must stay. It was a challenge for school leaders to bring this about, in particular for small schools and those without catering facilities on site. But these challenges have been met.”

## 4 Government support is not guaranteed

UFSM was driven by the Liberal Democrats and is deeply unpopular with many Conservative MPs. Recent media reports suggest that the chancellor, George Osborne, will withdraw government support for the policy in his autumn statement, despite a commitment in the Conservative election manifesto to the continued provision of UFSM.

LACA says it is seeking clarity on the situation. The DfE itself stops short of reiterating support for the policy but in a statement says: “We believe that every child, regardless of their background, should have the same opportunities. That is at the heart of what we are doing with school food – no child should be hindered because they are not eating a nutritious meal at lunchtime.”

## 5 Evidence on the effect of UFSM is needed

The government has committed to tackling childhood obesity and is due to publish a new strategy this year. Although previous pilots suggest that free school meals can deliver health benefits, foster a sense of cohesion within schools and avoid the them-and-us divisions of packed-lunch and school-lunch kids eating separately, quantitative data on these benefits is thin on the ground.

Favourable research – like the recent survey showing that 95% of parents with children in the scheme recognise the benefits – will not be enough to convince a chancellor reportedly itching to ditch the policy. Even staunch supporters admit that hard data is required.

“As the government shapes its child obesity strategy, now is the time to be measuring how this scheme is improving children’s nutrition during the school day, especially for children living in poverty for whom access to healthier foods is often more difficult,” says Linda Cregan, the chief executive of the Children’s Food Trust.





# Is Mexico's sugar tax working?

There's been a bit of confusion surrounding the impact of this controversial legislation. Here are two sides to the story so far.



## YES

**Kawther Hashem**, nutritionist for Action on Sugar

**M**ORE THAN 30% of the Mexican population are obese and a love of sugary drinks has been held at least partly responsible. The average Mexican drinks the equivalent of 163 litres of sugary drinks a year, or nearly half a litre a day, much greater than the global average. To help curb this astounding amount of consumption and therefore reduce rates of obesity, a 10% tax was implemented on January 1st 2014.

It is still early days – and we only have preliminary results – but the first year alone saw a fall in the average sales of taxed sugary drinks by 6%. This reduction increased over the year to reach 12% by December 2014.

Interestingly, the fall was greatest among the lowest socioeconomic group, who have less healthy dietary habits – partly because their food choices are determined by price and familiarity. These households reduced their purchases by 9% on average during 2014 and 17% by the end of the year. This will have the greatest direct effect on the future health of this group because they suffer from the greatest economic burden of disease.

The Mexican government must now fulfil its promise to use the more than \$18 billion pesos (£700m) collected from the tax to prevent obesity and associated diseases, especially through access to drinking water in schools and the installation of drinking fountains.

Mexico's Nutritional Health Alliance wants the tax rate to be increased from 10% to 20% to have a greater effect on the health of the population – a move that has also been recommended by the Pan American Health Organisation, which suggests that in order to significantly reduce consumption the tax should be at least 20%. It would also like to see VAT on bottled water eliminated in containers smaller than 10 litres, to make water cheaper than sugary drinks.



## NO

**Gavin Partington**, director general of the British Soft Drinks Association

**C**ONTRARY TO CLAIMS being made by anti-sugar campaigners, including Jamie Oliver, the soft drinks tax in Mexico has not been a success.

The preliminary, undisclosed consumption data cited by Oliver and co is not supported by the evidence. According to industry figures the sector saw a 2.5% fall in sales volumes, reducing energy intake from sugar-sweetened beverages by just 6.2 calories per person per day. These stats are also supported by data from the independent retail analyst Kantar Worldpanel, which reports that there has been a decline of just over 2%.

Notwithstanding the different economic climate, the reason why a soft drinks tax won't work here is because it has been tried without success in several other countries – and ones which have much more in common with the UK. Both Belgium and Denmark abandoned plans for a tax in 2013 and evidence from France shows that while sales of soft drinks initially fell after a tax was introduced in 2012 they are now back up to the levels before the tax was introduced.

Even the modelling study promoted by Action on Sugar and other health campaigners in the UK suggests that a 20% tax on soft drinks would reduce intake by a mere 4 calories per day.

By contrast, the efforts by soft drinks companies including product reformulation, smaller pack sizes and increased promotion of low- and no-calorie drinks have led to 7% reduction in calories from soft drinks in the last three years.

So why are Oliver and health campaigners calling for a soft drinks tax when food taxes elsewhere have been shown to only reduce consumption marginally and temporarily with no long-lasting effect on obesity levels?

Oliver was clear in his programme that the levy could raise revenue to tackle obesity and diet-related diseases. Ironically, if implemented, consumers' drinking habits will have to remain the same to rely on this sort of funding.

The soft drinks industry recognises it has a role to play in supporting public health objectives and the efforts by soft drinks companies so far are already having a positive effect. The wider food and drink industry should be rightly concerned by the targeting of single ingredients or products to raise government funds.

We should all be working together to deliver real behaviour change through education, industry efforts, and most importantly, a holistic approach that addresses overall diet and lifestyle.





# Mixed bag

England finally joins the rest of the UK in forcing shops to charge for carriers – but complicated rules risk causing serious confusion, write Nia Owen and Adam Read.



**W**ALES, NORTHERN Ireland and Scotland have all successfully introduced legislation to charge consumers for single-use carrier bags. In October England finally comes on board. The idea is simple. Retailers charge at least 5p for the bags, including any VAT. Once they have deducted “reasonable costs” such as training staff and changes to till systems, the remainder is donated to charity.

But England has decided to complicate things with a scheme that has some significant differences to its neighbours’. Franchised businesses, in particular, could be left scratching their heads after reading [DEFRA’s guidance](#) – especially when there’s a maximum fine of £5,000 for failure to comply.

## Size matters

The most controversial element of England’s 5p “bag tax” is that SMEs (retailers with less than 250 full-time equivalent employees) are exempt. This didn’t go down too well among those representing small retailers and businesses, who wanted a universal charge for [environmental and economic reasons](#).

This also poses some interesting questions for franchised businesses. If you are part of a franchise, you will only need to consider your own business not the franchise as a whole. For example, if you own 10 stores in a symbol group and have more than 250 employees in total, you’ll have to charge for carrier bags. But if you’re part of a symbol group and own two stores with 15 employees, you’re exempt.

This could result in potential confusion for customers as some stores of the same brand charge 5p for bags while others do not.

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**Retailers using a franchise model may wish to consider charging for bags across all stores regardless of whether they are obliged to, with businesses classed as SMEs voluntarily implementing the charge, to avoid customer confusion.**

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The Commons environmental audit committee suggested ministers were in danger of making a “[complete mess](#)” of the planned charging regime thanks to the small business exemption. But there was another criticism from the MPs – and it related to the fixation on what the bag is made of.

## Material mayhem

The new charge applies to single-use plastic carrier bags only, and so retailers in England that use single-use paper bags will not be required to charge for them – unlike elsewhere in the UK. The rationale, according to officials, is that the use of paper bags is limited. But critics suggest retailers will just start using paper to avoid the charge.

Most lifecycle assessments that have compared single-use paper and plastic carrier bags are consistent in showing that paper bags perform worse than plastic.

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**If your business is measuring its environmental impact, be warned: changing bag material to avoid the charge could significantly increase your footprint.**

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There is no exemption for biodegradable bags, although the government is considering a future exemption for “super biodegradable bags”. This has also been controversial, not least given that the government isn’t sure what the term means or what standards these bags would have to meet. The move to exempt some biodegradable bags and not others could potentially lead to more confusion.

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**Businesses that currently use biodegradable bags will need to charge at point of sale, in the short term at least, even if they use bags that meet the “super biodegradable” standard.**

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## It does work

Recent feedback on the bag charge in Wales found that 87% of retailers reported that it had either a positive or neutral effect on their business, compared with just 13% who thought it had a negative effect. Retailers also reported that business costs had reduced as a result of the charge because fewer bags had been purchased. Carrier bag use has also [fallen by 71%](#) since the charge was introduced in 2011. Northern Ireland has reported a [72% reduction](#) in bag use since the introduction of its levy.

## Business opportunity

Many foodservice business and smaller retailers that are exempt may well be thinking they are better off out of this complicated scheme. However, research has shown that the public gets used to the charge very quickly indeed, so this is an opportunity to make financial savings as well as to promote the benefits of the charge to your customers.

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**Even if you’re exempt, there’s an opportunity here to save money, reduce the footprint of your business and raise money for good causes.**

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**Nia Owen** is principal consultant and **Adam Read** is practice director at **Ricardo Energy and Environment**.



# Reducing food miles by going digital



**Andy Badger**  
Managing Director,  
Acquire Services

ACCORDING TO research by Ofcom, Britons now spend more time using technology than they do sleeping. Technology is now so integrated within day-to-day life that for the majority of us, it is second nature to use the internet for 'daily tasks' such as watching TV, researching recipe ideas, catching up with friends, reading the news, organising schedules and even to monitor our fitness levels. Access to the internet and the latest technologies have now become so important, it is hard to imagine a society without them. So why is it, when it comes to the workplace, many hospitality businesses haven't embraced the digital era to improve the efficiency of their operations? Particularly when it comes to practices which can have a big impact on not just a business' bottom line, but also on the environment.

"The hospitality industry in particular has historically had a significant impact on the environment and although many operators now have policies in place to improve their green credentials, there is always pressure to do more - to make more savings and to operate more sustainably. One of the most effective ways hospitality managers and caterers can do this is through reducing their food miles. In the UK alone our food travels over 30 billion kilometres per year and is responsible for adding nearly 19 million tonnes of carbon dioxide to the atmosphere each year – of which 10% comes directly from the catering industry. So how can operators address this problem? This is where digital technology comes in.

"At Acquire, we believe that sustainability and food sourcing needs to be tackled with a more holistic approach and this goes beyond just choosing organic or local produce. To help operators and managers understand responsible sourcing and develop a Corporate Social Responsibility strategy which aligns to business targets, we developed the digital tool, Green10.

"Green10 provides online metrics for 10 specific 'pillars', each relating to responsible sourcing, purchasing and sustainability: Food Mileage, Local Sourcing, Environmental Profile, Seasonality, Renewable, Culture, Animal Welfare, Wellbeing, Packaging and Food Waste. Green10 acts as a yardstick for businesses to understand food miles and using this tool, operators can align their purchasing strategy to the 'pillars' which best reflect their CSR strategy and business objectives.

"Using an online procurement tool makes it easier for operators to manage and look at ways to reduce their food miles – and therefore reduce their impact on the environment. For example, looking at a national business with multiple sites across the UK, Green10 can provide a report for each of the individual sites and an overall report for the whole business. This allows operators to set food miles targets for each of their sites, as well as overriding targets for the business as a whole.

"Although reducing food miles isn't a new concept when it comes to sustainability, what is new is the tracking and monitoring technology, which up until now hasn't been available.

"Developing an enhanced sustainability strategy and reducing food miles isn't just good for the planet but also for business. According to a Neilson study last year, 38% of consumers are willing to pay extra for sustainable products<sup>1</sup> - great news for any operator looking to drive profit margins. As well as this, research by the Sustainable Restaurant Association found that sustainability and sourcing are at the top of consumers' lists when it comes to choosing where to eat and this extends to all areas for out-of-home food purchases – not just when choosing a restaurant. Therefore, reducing food miles is a simple yet effective way operators can create a truly sustainable offering to ensure customer satisfaction and add value to their bottom line.

"A few years ago it was a common view that web based systems that managed relatively complex business processes, such as sustainable sourcing, were only for large scale businesses, but now with advancements in technology, these systems are completely inclusive and available to all businesses – big or small. As well as offering sustainable benefits, e-platforms also help operators to better manage their business processes by having everything in one easy-to-use system, helping operators to save on time usually spent going through and filling out supplier and purchasing forms. Furthermore, digital platforms also make it straight forward for hospitality operators to amend their supply chains as and when their business develops. For example, if a restaurant owner saw an increase in consumers asking for shellfish, using their online platform they can find a supplier which not only offers the best price for the increased order, but also the option which best matches their CSR policy and reduces their food miles.

"By embracing digital procurement, hospitality managers and caterers can take the sustainability of their establishment to the next level, ensure sustainability across the whole food buying platform and help to safe guard the future of their business and the industry as whole. As the digital world becomes more intrinsically linked to hospitality management, operators need to make the most of the benefits going digital offers, for a truly seamless and sustainable business operation."

For more information go to [www.acquireservices.com](http://www.acquireservices.com)

[1] The Nielsen Global Survey on Corporate Social Responsibility, June 2014



# Purpose

Businesses which care about more than just profit could be in a stronger position to survive the coming social and environmental shocks, writes Nick Hughes.



ELLA'S KITCHEN is one of the great food and drink success stories of the past decade and its founder, Paul Lindley, has forged a reputation as one of the industry's most enlightened thinkers. So when Lindley starts talking about the need for businesses to have a purpose beyond a purely profit-driven motivation it's time to sit up and take notice.

Lindley used a speech at the Summit 2015: The Future of Growth event to put the case for businesses standing for something more than just making money. "Too often what we do in business is explain what and how – but not so much the why," Lindley said. "Profit is key, but so is heart. It's what keeps the business running."

Lindley explained that he set up Ella's Kitchen with the purpose of improving children's lives, based on the idea that businesses should serve society as well as their shareholders. This notion of business with a conscience is reflected in the growing popularity of the term "purpose" in the business lexicon – IBM, for instance, now talks about "purpose-driven transformation" as being part of its DNA.

But why is the business community talking about purpose now?

Partly it's a pragmatic response to social and environmental factors that are a direct threat to conventional profit-centred business models. A recent [KPMG report](#) on building business value in a changing world identified 10 sustainability "megaforces" that will affect all businesses over the next 20 years. These included climate change, resource scarcity, ecosystem decline and deforestation. The report noted that more and more corporations are recognising that there is value and opportunity in a broader sense of responsibility beyond the next quarter's results and that what is good for people and the planet can also be good for the long-term bottom line and shareholder value.

*"Profit is key, but so is heart – it's what keeps the business running"*

The focus on purpose is also a response to changing consumer expectations of private enterprises and what they stand for. Trust in institutions to do the right thing is at an all time low, partly as a consequence of open data in the digital age that means business practices are subject to more scrutiny than ever before. The [2015 Edelman Trust Barometer](#) showed an evaporation of trust across all institutions including NGOs, the media and businesses, in whose case more than half of respondents believed they were driven purely by greed. However, 81% of respondents said they believed that businesses could both make a profit and at the same time improve society.

The most progressive businesses are already taking heed of public opinion and embedding purpose-led activities across the entire organisation rather than isolating them within the corporate social responsibility department. Speaking at the launch of the [EY Beacon Institute](#) – a new collaboration between the professional services firm EY and Oxford University's Saïd business school dedicated to the science of purpose in business – Unilever's chief executive, Paul Polman, said businesses that aim to maximise both profit and purpose will be more successful over time. Unilever has publicly committed to making a positive contribution to society through its [brightFuture](#) platform that it says "helps unite and amplify the efforts of a growing community of people who believe it is possible to build a world where everyone lives well and lives sustainably".

*81% of consumers believe businesses could both make a profit and improve society simultaneously*

Unilever is considered a trailblazer in "purpose-driven transformation", and food businesses talking explicitly about purpose remain the exception rather than the rule. However, the idea of having a broader purpose beyond profit maximisation is increasingly becoming implicit in company mission statements from Sodexo's maxim of providing "Quality of life services" to Nestlé's reshaping of its corporate identity in recent years to focus on "Nutrition, health and wellness".

To what extent purpose-driven transformation is genuinely transformative and representative of an entirely new business model is open to debate. The EY Beacon Institute notes that for many businesses there is still a gap between recognising the need for business purpose and instituting policy and practice. It will be up to consumers, with the help of NGOs, to challenge businesses to prove they are as purposeful in their actions as they are in their words.



# Briefing: The new ISO 14001

**Martin Baxter summarises the recent changes to the popular ISO 14001 environmental standard.**



## Well-known standard

ISO 14001 is a business standard created by the International Organisation for Standardisation (ISO). Many readers will be familiar with it as a framework for organisations to measure, manage and improve their environmental performance and become resilient to changing external environmental conditions.

## Good for business

Businesses which meet the requirements and can demonstrate they are taking active steps to minimise their impact can seek certification, which can be valuable in winning new business and satisfying stakeholder expectations. Customers now expect service providers to have a good – and proven – environmental reputation, so this is a recognisable way of showing stakeholders you walk the walk.

## £10,000 savings

That's why ISO 14001 is the world's second most used standard. ISO 14001 was introduced in 1996, and more than 324,000 organisations are currently certified as meeting the requirements. Plus it's been shown that organisations which implement ISO 14001 can save significant amounts of money through efficiencies: 40% save at least £10,000 and some save more than £5m.

## New challenges

The environmental challenges that the business world faces have changed significantly since the standard was introduced. It is essential that companies change the way they work to ensure they reduce their impacts and become more resilient to climate change and resource availability threats.

## New standard

Over the past three years, a team of international experts on environmental management have been working to revise and update the standard. They have consulted thousands of the standard's users to understand how it could be improved and really enable organisations to future-proof their business.

On 15th September the fully revised version of ISO 14001 was published.

## What has changed?

In a nutshell, this new version of the standard shifts business focus on the environment from compliance with regulations, to placing the environment at the heart of business strategy. That means:

- Senior management now have a greater role to play in environmental management.
- Businesses must engage and clearly communicate with their customers, partners, clients and suppliers about their environmental performance.
- Organisations must evaluate how they are at risk from the changing climate and increasing resource and energy availability issues, and assess where they can turn the challenges into business opportunities.

## Change period

All 324,000 certificate holders have three years to make the transition to the new way of working. The publication also presents an opportunity for organisations that aren't certified to implement ISO 14001 and reap the business benefits.

## Foodservice focus

Foodservice businesses depend on the environment for reliable access to ingredients, materials, packaging, water and energy. Ensuring that the environment is placed at the heart of your organisation's management and decision-making will help you reduce your impacts, deal with significant risks, and take advantage of the opportunities from good environmental performance.

Having a clear structure to help you minimise your impact, reduce consumption and waste, reduce spending on energy and set expectations for a secure and responsible supply chain is essential to modern business. Your customers will increasingly want to see proof that you do the right things, and gaining (or at least working to) ISO 14001 is a recipe for success.

**Martin Baxter** is executive director (policy) for the Institute of Environmental Management and Assessment.

# Force for good

Many skilled ex-military personnel struggle to adjust to civvy street but they have many valuable skills to offer employers. Amy Fetzer finds out how a Kuehne + Nagel scheme aims to bridge the gap between the two worlds.

**N**O JOB, no home, no teammates and a totally different culture – for ex-military personnel, leaving the forces can be a massive culture shock from which many struggle to recover. The fall out can be serious – and can lead to problems such as unemployment, homelessness, alcoholism and drug addiction.

Yet the 20,000 people who leave the Armed Forces each year have a desirable skill set. They are generally considered to have good organisational, team working, leadership and management skills. They are also seen as being good communicators, committed, and as being health, safety and security aware.

Many companies – including Tesco, EY and Network Rail - actively try and recruit ex-military personnel. However, logistics is one area often where the ex-military skill set is seen as particularly transferable. In fact, there even used to be a government-funded scheme through Skills for Logistics which aimed to funnel ex-service personnel into the industry.

However, logistics is one area where the ex-military skill set is often seen as particularly transferable. There was a “disconnect between the expectation and the reality” of civilian work places, with workplace priorities, such as efficiency and working within tight margins, challengingly different from those in the military.

Kuehne + Nagel’s new military recruitment project hopes to buck this trend. The company has recruited an ex-military man, Philip Doyle, specifically to run the project in the hope that this will allow the company to “straddle both worlds”. It is hoped that this will ease the transition into civilian life and allow recruits to “settle into their new jobs so they will stay for the longer term”, because, as someone who has just left, Doyle understands “it takes some time to decompress out of the military.”

The project utilises various mediums including the Career Transition Partnership and corps like the Royal Logistical Corp to “create a stream of potential candidates into the company.” A military mentor system will provide new recruits with support during the difficult period of transition throughout their probationary period.

This is because, for many, leaving the army does not just mean changing their job, but also where they live and their whole lifestyle. From having accommodation and board on tap, with very little household administration to worry about, adjusting to the reality of finding housing, doctors and schools, and managing household bills and benefit systems can be overwhelming.

A Citizen’s Advice Bureau [report](#) likened it to “a civilian redundancy occurring alongside being told by your landlord that you have weeks in which to leave your tenancy.” It is, as one ex-serviceman put it, “like [being on] a different planet – Planet of the Apes.”

The company hopes that having support within the company from an ex-services mentor who understands where they have come from, what they have been through, and who talks the same language will be a powerful tool in the transition process. “We hope to put them in touch before they start so that they know a friendly face from day one, which should help to settle people in,” says Doyle. “This appeals to potential recruits and is seen as something that really adds value, giving us a good recruitment tool.”

They also plan to provide contact information for local housing, schools and council services. The idea is to “stop civilian life from feeling alien and to normalise work outside of the military for people.”

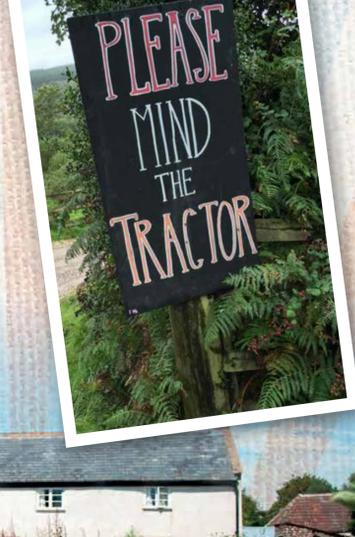
“We hope that as the project grows and the camaraderie builds, the more it will sustain itself. Recruits will find others with the same sense of humour, and will be able to find the same type of relationships as those that they had in the forces. We hope we can create a similar sense of community, but in a civilian working environment, which can be just as fulfilling.”

## TUCO & Footprint Frontline Farming Field Trip

# Fresh air and inspiration

**Ditching desk and kitchen for field and factory, the Footprint & TUCO Frontline Farming Field Trip got down and dirty to look under the bonnet of sustainable business**

Amy Fetzer reports.



Introducing a weekly meat-free pasta day to get students eating less meat without even noticing. Doing a spot check to weigh the kitchen's waste to jolt staff into preventative action. Asking more searching questions of their fish suppliers. These are just a few of the ideas being taken back into the kitchen and implemented after this week's Footprint and TUCO fieldtrip to River Cottage and Wyke Farms.

From gaining insights on ethical sourcing, menu planning and produce at River Cottage, to seeing Wyke Farms' award-winning cheddar factory and anaerobic digester in action, the trip showcased best practice in glorious 3-D Technicolor. And judging by the "to do lists" being bandied around, field trippers left buzzing with a range of concrete tips and ideas to take back to their catering teams to get their kitchens thinking and behaving more sustainably.



The trip started at River Cottage, where field trippers were tasked with cooking themselves a seasonal banquet, which tasted so good they wouldn't mind it was made entirely without meat. (And they succeeded, with the usually carnivorous crowd raving about the delicious and satisfying lunch).

Head chef Gelf Alderson then shared his insights on sustainable catering:

**Cook consciously.** Cooking sustainably encompasses everything from choosing seasonal produce to using plentiful but less popular cuts of meat so no part of the animal is wasted. Use the knowledge you have to inform everything from menu choices to sourcing.



**Eat less meat.** Meat is a hugely inefficient way of getting protein and you shouldn't "put more in then you get out," with feed conversion ratios of 6:1 typical of animals such as intensively farmed pigs. This means it takes at least six kilos of feed to get one kilo of pork; and it requires 18 times less land to feed a vegan than an omnivore. So consider choosing meats from less intensive sources, and try to increase the proportion of vegetables in your dishes, and the vegetarian options on the menu.

**Invest in your chefs.** Cooking seasonably, and without waste requires the right training. This means chefs have the skills to do things like turn seconds or trimmings that could otherwise be wasted into other dishes, such as soup. And it means they can cook the full range of cuts of meat, so your kitchen can utilise plentiful, good value but less popular cuts of meat such as shin or brisket.

**Think local.** "Local" has become a "tag-word that many companies hide behind. Work out what it means to you." Is it five, 15, 50 miles or is it regional? And nail down the difference between suppliers and produce - because a local supplier isn't necessarily supplying local produce so if local produce is important to you, talk to your suppliers about how you can get it. It may mean changing menus to make them more seasonal.



**Get to know your farmers.** Then you can know and trust their produce, and adding names and farms to ingredients on menus increases customer appeal. Field tripper Derek Gardner, head chef, Brighton University, noted that including the provenance for meat on menus often increases uptake, and inspired him to test out whether doing the same for vegetables might give them a boost too.

**Good ingredients need less work.** Premium ingredients have much better taste, and require much less effort to turn them into delicious dishes, especially when it comes to creating tempting vegetable/vegetarian dishes.

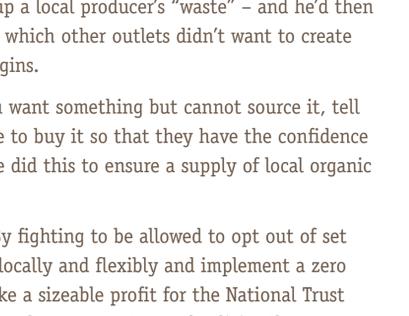


**Eat the whole animal.** Each lamb only has two shanks, so supplying specific cuts can be a challenge for smaller producers, but the market's obsession with the same cuts also leads to waste up larger supply chains. Nose to tail eating requires more imagination, such as serving a trio of different cuts to use up more of the animal, and can lead to reduced costs as less popular cuts often cost less. When Alderson worked at the National Trust, he guaranteed to buy up a local producer's "waste" - and he'd then use cuts, such as the shin and brisket, which other outlets didn't want to create mouth-watering dishes with great margins.

**Guarantee the market.** If you want something but cannot source it, tell your producers that you will guarantee to buy it so that they have the confidence to invest in producing it. River Cottage did this to ensure a supply of local organic bacon for their restaurants

**Fight for menu flexibility.** By fighting to be allowed to opt out of set menus so he could source seasonably, locally and flexibly and implement a zero waste policy, Alderson managed to make a sizeable profit for the National Trust restaurant he ran previously. So fight to change or opt out of policies that are hindering you.

**Build a relationship with your fish supplier.** When fish arrives filleted and tailed, there is no way of knowing whether it was line caught or from potentially damaging trawling or dredging. So get to know your supplier so you know you can trust them when they say a fish is sustainably sourced. As buyers, Alderson suggested, if we group together to demand change so that the industry converts to line caught, we can succeed, as with the campaign to ban battery eggs from UK retailers.



Next, the green machinations of cheddar producer Wyke Farms were laid bare with a tour of the cheese factory, milking sheds and anaerobic digester. In between, managing director Rich Clothier described how taking responsibility for climate change and being "100% green" were just 100% good business, and shared his top tips:

**Capitalise on your capital.** "The best green projects utilise our natural assets," argued Clothier. "The things that we curse, like slurry from our dairy herds, can become assets for sustainable business." Wyke Farms' anaerobic digester powers their factory as well as the local town of Bruton. It also turns slurry and waste from other local businesses into renewable power. The farm also has south facing roofs suitable for PV on their milking sheds, so they installed panels with ice bank power storage underneath to chill the milk and provide power.



**Make sustainability the goal.** "We were undertaking a cost cutting process - planning production runs to minimise waste and reduce energy use," explained Clothier. "And we realized everything we did had a beneficial impact on environment. So we said, let's turn it on its head, and make sustainability our goal - what savings does that unlock? And we found many savings that we never would have found from a lean manufacturing route."

**Take responsibility for playing a positive part.** As farmers in the region, it is clear the climate is changing, Clothier explained. They don't get any more rain, but it falls all at once, causing flooding, nutrient leaching and fertiliser run off. "It's about businesses like mine putting their hand up and taking responsibility. It's back to basics - my grandparents always said, 'If you look after nature, nature will look after you.' We're the first to put sustainability on the front of our packs, but we wish to operate our business in a way that has minimal impact on the Somerset environment and to create a truly symbiotic relationship with the countryside that provides our food, our income and our home."



To being more imaginative with vegetables and finding ways to use existing capital in greener, more cost efficient ways, the fieldtrip acted "like the Footprint Forums," observed Shirley Duncalf, head of sustainability, Bidvest Foodservice. "It gets people together, and agitates things, and brings things to the forefront so you actually tackle them."

The trip, said Helen Anzani, head of catering services, University of South Wales, was a valuable reminder "to focus away from scaremongering on the tangible things" that can be done. "It's really refreshing to come out of the kitchen and see that long sighted approach of businesses who are looking at every single bit of their operations and trying to make them as sustainable as possible. Because sometimes, you can feel battered down with all the 'No's', so you lose sight of what you can do. The field trip has reminded me not to be overwhelmed - but to do the things I can do because they are still important."

"It was really inspiring," said Alan Barrow, Head Chef, Newton Rigg. "It's so easy to do things in autopilot. But it's everybody's responsibility and the field trip has given me that shake to push on."

And to see how field trip inspiration has turned into measurable, monitored actions, we'll be checking back with the field trippers and bringing you progress report in the spring.



# Any colour, as long as it's green

**G**reen is a colour washing over the Catering Industry, as operators up and down the country continue to make strides in their sustainability efforts. And, with the Government announcing plans for a new living wage, now more than ever is the time for industry leaders to stop and think about the ways in which their operation is not only environmentally sustainable, but also socially and economically.

It's one of the many challenges we all face and, as a forward-thinking organisation which aims to support its members now and into the

future, we have started looking at the needs and challenges of the Industry tomorrow, so we can find a solution today. It's why we conducted the largest ever global research piece into food trends and student eating – providing members with genuinely valuable business intelligence to help drive footfall and profits across campus. It's also the reason we have launched the TUCO Academy, a unique series of sector-specific training courses, covering niche skills at all levels, designed with your needs at its core. The challenge of meeting the skills gap in the catering sector is getting ever larger; if we are to achieve future success we must train the next generation of leaders now. You'll find everything you need to know about it here.

This past year has seen so many of our members achieve great things on the sustainability front and we could not be prouder to say that the driving forces behind the green movement in the catering sector are part of our community. We take a look at a snap shot of just some of the great initiatives you have been working on from the past 12 months.

There is always more work that can be done in the “green arena” but together we as an organisation can take university catering to the next level through sharing our knowledge, research and training. By utilising our collective expertise and working as a single body we can continue to create something that will benefit universities for generations to come.

We hope you enjoy reading this year's sustainability update and don't forget to sign up to our weekly newsletter, in association with Footprint.

**David Nuttall**

**Head of TUCO Sustainability Committee**

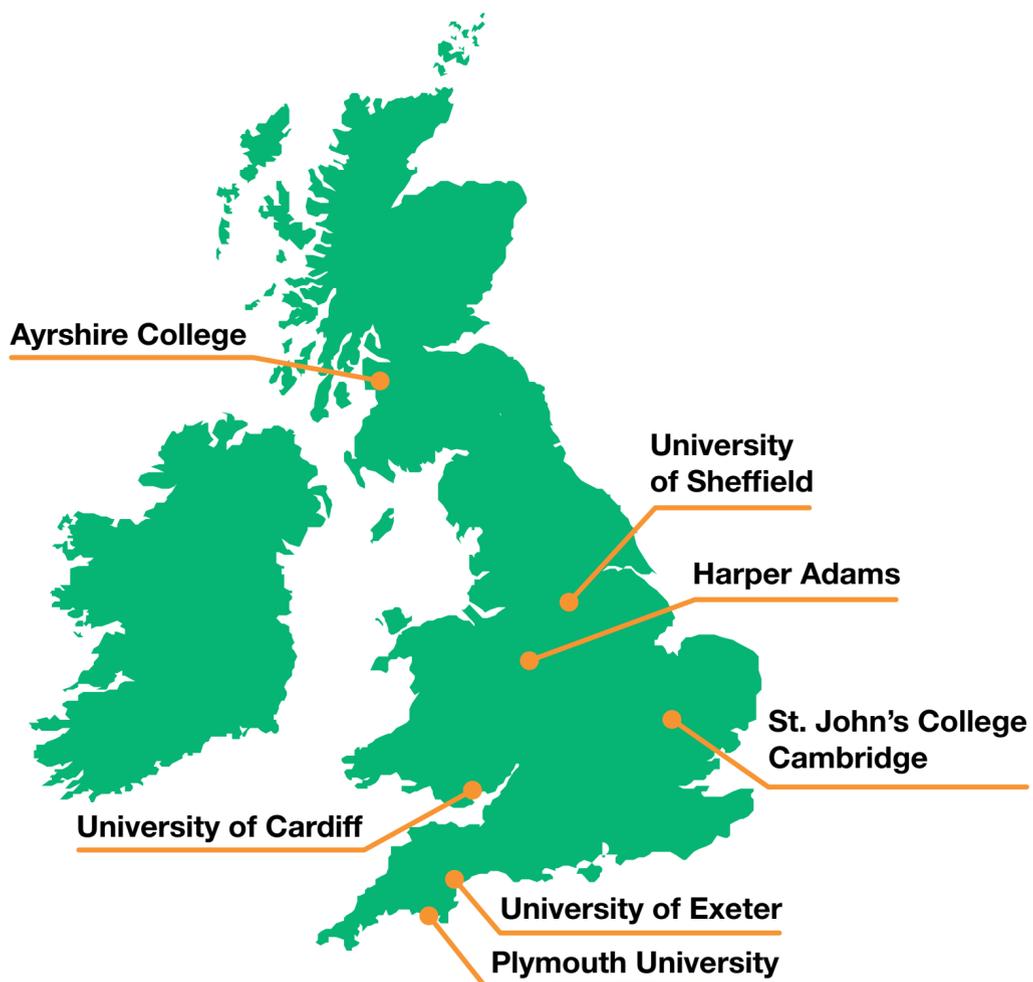


**David Nuttall**



# TUCO Regional Success

The achievements of The University Caterers Organisation members span the entire sustainability spectrum. From reducing waste and promoting healthy eating to better sourcing, investing in local producers' businesses and supporting global action organisations such as Fairtrade – you name it, TUCO members are doing it! Their successes add up to an incredible compendium of best practice examples; here we take a look at a few initiatives from around the country in 2015.



## Scotland:

Over the border, Ayrshire College has been making healthy eating its priority and proved that hard work pays off after retaining the 'Healthy Living Award' for an impressive fourth consecutive year.

Four out of five campuses at the College hold the Healthy Living Award - a national award scheme for the food service sector in Scotland, highlighting those organisations making a genuine health impact on their customers' diets.

## North:

The University of Sheffield took the concept of supporting local business to a whole new level, after agreeing a contract with local farm 'Our Cow Molly' which will supply all Sheffield's milk products. This contract has allowed the farm to invest in a new dairy so they can increase outputs from 8,000 to 40,000 litres a week, securing the independent farm's future.

## Midlands:

Harper Adams has had quite the triumphant year so far, taking home two awards in June alone! Having beaten off stiff competition Harper won the prestigious 'Sustainability in Education' accolade at the Footprint Awards, picking up the 'Highest Scoring New-coming' Hospitality Assured Award just two days later.

## West:

At the other end of the country from Ayrshire, the University of Exeter was also focussing on food health and wellbeing as it introduced specialist nutritional information on all menus to help consumers better understand what they are eating.

## Wales:

The University of Cardiff collaborated with local partners to help the city pick up a Sustainable Food Cities bronze award, which recognises work in areas such as promoting healthy food to the public, reducing waste and tackling food poverty. The university itself has a Soil Association Food for Life Catering Mark for its three restaurants at Main Building, Trevithick and the Julian Hodge Building Lounge.

## South:

Plymouth University started the year with a bang, topping the annual People and Planet Sustainability Index.

The coastal institution was ranked first out of 151 universities in what is one of the most coveted league tables in the Higher Education sector. Plymouth achieved a 90% rating on sustainable food, as well as a 75% rating for waste and recycling.

## East:

In January, St John's College Cambridge joined the growing ranks of Sustainable Restaurant Association (SRA) accredited universities. Having gained a two star rating, Catering Manager Bill Brogan said they would be working towards a three-star ranking in 2016 so watch this space!

# Fishing for answers:

## How university caterers are sourcing responsibly

Consumer awareness of responsible sourcing has grown exponentially in the past few years, driving the issue of sustainable seafood – a cause which has been helped along by celebrity chef endorsement.

And rightly so. In recent years, the headlines have been full of stories around sea stock depletion as irresponsible fishing brings some species to the brink of extinction. The retail sector has been highlighted as a particular culprit in this area; a recent Marine Stewardship Council (MSC) report found Tesco only stocked 18 certified products and Morrisons as little as 8<sup>1</sup>. There is still a long way to go before seafood is truly sustainable.

That's not to say there aren't some good news stories. University caterers are making leaps and bounds in their understanding of sourcing, and subsequently their buying policies. So, how come some sectors are tackling the challenge while others are struggling to get to grips with the issues? The key is information, information, information - which is why TUCO has teamed up with M&J Seafood and the MSC to run a workshop on the importance of the 'chain of custody'.

The MSC has developed its strict Chain of Custody Standard – considered a definitive guide by many – a stringent criteria which ensures all seafood can be traced back to source and that it has a 100% sustainable supply chain, from seabed to final sale.

In order for a company to gain its MSC Chain of Custody Standard, it must meet five key principles; seafood must be purchased from a certified supplier, certified products must be identifiable and should be segregated from non-certified products, traceability and volumes must be recorded, and organisations must have a management system in place.

These best practice standards are 20 years in the making, and provide a monitoring and assessment benchmark which has become world-renowned. Through its work, the MSC has helped to reduce the amount of overfishing in our seas and increase awareness of low fish stocks, highlighting alternatives to the popular species along the way. Reaching these lofty heights might seem a mountainous task, but it's an achievement that benefits the entire community.

It's a challenge TUCO felt was well worth taking on, and in 2013 the organisation partnered with the MSC to offer its members a fast-track way to put certified fish on university menus. The system allowed simpler, quicker and less expensive MSC certification for members and helped to create a wave of change across the sector.

The number of MSC-certified campuses in the UK has now reached unprecedented levels but we can all be doing more. With so much information readily available through ecolabels, workshops and online, it's down to catering managers and staff to go the extra mile and lead the way in sustainable sourcing across the foodservice sector.

### Fishy Facts:

1. Did you know that 80% of the world's fish stocks are now over-exploited<sup>2</sup>?
2. That there are 231 fisheries around the world certified by the MSC<sup>3</sup>.
3. And 186 MSC-certified university campuses worldwide<sup>4</sup>.
4. Overall, 11% of global wild seafood comes from fisheries engaged in the MSC programme but...
5. Consumers are still too reliant on the "Big 5" Cod, Haddock, Tuna, Salmon and Prawns – buying a variety of fish such as Pollack and Gurnard can help prevent overfishing<sup>5</sup>.

### Top Tips:

6. Try something new – look for fish caught using methods such as hand-lining or potting as they have a lower environmental impact.
7. Think locally and seasonally – when planning menus think what's readily available in the local area when planning menus.
8. Buy low on the food chain – to help maintain a balanced marine ecosystem try and choose fish species lower on the food chain such as sardines, anchovies and shellfish.
9. Avoid purchasing any species on the International Union for Conservation of Nature and Natural Resources (IUCN) Red List of Endangered Species.
10. Finally, by using MSC certified fisheries you can easily trace seafood's chain of custody.

1. <http://www.theguardian.com/environment/2015/jan/30/uk-supermarkets-failing-stock-enough-sustainable-fish-report>

2. <http://www.mindfood.com/article/environment-sustainable-fishing-fast-facts/>

3. Marine Stewardship Council, Global Impact Report 2015

4. Marine Stewardship Council, Seafood market highlights, 2013 - 2014

5. <http://www.fishonline.org/information/Top+tips>



# Future proofing the TUCO way

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The issue of skills in the UK Foodservice sector appears to be reaching critical mass; open any trade magazine and the headlines jump out. The topic is the subject of conversation amongst the great and good of the industry, but perhaps that is the problem? Talking is all well and good, but isn't it action we need to solve the problem?

It's been a growing problem for many years but nothing has really moved forward from those original fears, aside from the skills gap – between what we have and what we need – getting bigger.

Across the entire sector, employers are facing a lack of both core and niche skills at junior and senior level especially as cuts in funding has meant there is less money to support staff as they move up the ladder. So now we are facing the problem of both youth recruiting and, further up the chain, necessary management skills. This is partly down to retention - the Industry loses some of its best because skills development is often not part of the wider package on offer – which is a real shame, as the onward career prospects within the catering sector can be exceptionally rewarding.

Research by People 1st certainly supports this as a recent survey found 20% of organisations across the industry suggested they were unable to recruit staff with the skills they needed. Instead, they are plugging the gaps with less qualified candidates.

That's not to say some won't thrive in a challenging senior role and, if a macro view of the industry was taken, it would look like this is happening up and down the country. The outlook for the catering sector is strong and the innovation that Britain has become renowned for continues to shine through. The great reputation entirely hinges on the exceptional staff that work within the industry and the skill and talent they display every day, as well as their passion and dedication, more than justifies the praise and accolades that the sector receives. The bar has been set high, but without skilled young people or trained managers to carry on this work the legacy will be lost – it is truly a people-driven industry.

So how can the Industry start to plug the skills gap? By taking action and setting up new initiatives that encourage and support talented people, young and old, to take up careers in the hospitality sector. It's all well and good assessing the issues and discussing the solutions, but if we are to protect ourselves against future recruitment and retention problems then we need to start providing the necessary training for the people of tomorrow, today.

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# Making the most of marketing...

Just think about the last big purchase you made and why you chose it - invariably it will lead back to something you've read, seen or heard. The same, often subconscious, thinking affects our eating habits and tapping into this psychology opens up huge potential for caterers. Marketing has real power, when done effectively, particularly when conveying a really positive message such as sustainability on campus - a subject students, and staff, are keen to engage with.

A real point of difference between university caterers and High Street outlets is that caterers are appealing to a smaller subset of customers and so can tailor their offering to suit this consumer base, at a pace larger, national commercial operations can't match. It's a unique position to be in, and allows caterers the ability to respond to current popular opinion and take up the sustainability causes their customer base care about; making the most of this competitive advantage is key to driving footfall and boosting the bottom line.

But students and staff can only find out that their green needs are being met by on-campus services if they are told; university caterers have plenty of news to shout about and really hammer home that message - every accolade or accreditation is another example of the priority placed on sourcing better or reducing waste, or one of the many other areas which Higher Education caterers are leading on.

But how to best demonstrate that? On-campus outlets are a great place to start - proudly advertise your Gold Standard Catering Mark from the Soil Association, or that you only use MSC certified fish, visibly signposting your efforts to drive awareness.

But that's not enough if customers aren't coming through the door in the first place, and it's here caterers need to get more creative. A fast and easy way to disseminate information is social media - a well thought-out tweet can spread the word quickly. The trick is to make it snappy and fun - you only get 140 characters so you'll need to use them wisely.

They say a picture speaks a thousand words, and food is a great subject for any photography. Try driving interest with some delectable pictures which make customers want to come to you! Instagram and Facebook are great places to share pictures but remember it's a two-way conversation. You'll need to follow and like people, get involved in bigger conversations and reply to queries.

TUCO's recent research into the eating habits of young people shows that experiences were a top priority for Millennials when it comes to dining, so really consider how you can use that knowledge to drive footfall? It could be as simple as a film night during the week, to help boost dinner numbers perhaps using a pedal bike projector to drive the sustainability message and add an element of interactivity. Combine it with a meal deal - another great marketing tool - to create a package; after all students are also driven by value and are always happy to save a pound or two.

The range of methods are vast, and you'll have a lot of messages you want to get across. It's important not to flood people with too much all at once though. Instead use different devices and methods to drip feed important points rather than all at once. For example, university websites have high volumes of traffic and catering managers should use facilities pages to showcase their sustainability credentials to prospective students - it may just help sway their decision.

The main thing to remember is that consumers want to hear about sustainability when it comes to their food so if you have a message they will listen! Just make sure whatever the achievement is, it is communicated in a way that's easy to digest. Keep it simple, consistent and concise and utilise the resources you already have available to make the message travel further - you'll be surprised at just how much of an impact you can make.

## How to...make the most of marketing

From experiential to social media and even old-fashioned post, there are many great tools to quickly get your marketing messages across to the masses. When used in the right way, marketing can be extremely effective in raising awareness of your offering, while demonstrating those all-important sustainability achievements.

### 5 key points to bear in mind:

- **Choose the right platform for your marketing activity:** Social media is great to carry a message swiftly and to make real use of images but it won't work for every promotion or product. You need to think about the ways in which you can effectively convey your message, and what is appropriate.
- **Plan:** Make sure you are aware of any upcoming university events or special food weeks - such as British Food Fortnight - so you can plan posts in advance and capitalise on the buzz of the moment.
- **Keep it consistent:** Putting out a consistent message is key to driving home your values and re-enforcing how those align with your customer's own feelings on the issues of sustainability.
- **Make it interesting:** From quick cooking tips to updates on menu changes, think about fun ways to get your news across - perhaps with a funny picture.
- **Engage with your audience:** Between experiential marketing, social media and forums there are a dozen ways to drive two-way engagement with your customer base nowadays. Just remember that once you make the commitment to a two-way conversation you'll have to stick at it!

To keep up to date with all of the latest sustainability news from TUCO members follow us @TUCO Ltd

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