

Speech: Shaping the future of food and drink

It's fantastic to be with you today here at the British Museum.

If you asked someone on the street, 'what's the best-known item in this building?', some might mention the mummies, some might name the Elgin Marbles...

But I think some would say the Rosetta Stone.

Found by one of Napoleon's Lieutenants during his Egypt campaign of 1799, it was undoubtedly a great discovery.

Yet – just a few years earlier – in 1795 Napoleon was at the centre of what I think was an even greater discovery.

That year, Napoleon offered a prize of 12,000 francs to anyone who could solve an age-old problem and give his army an edge over his enemies.

Not a new weapon to outfight them.

Or new tactics to outsmart them.

But the ability to outlast them by keeping his army's food fresher for longer.

In just over a decade a confectioner named Nicolas Appert had found the answer.

Through his method of heating, boiling and sealing food in airtight glass jars.

The same basic elements which keep canned goods fresh today.

It just goes to show that when political leaders create the right conditions for individuals and businesses to innovate the results can be astounding.

And I truly believe that when government and business work together in the right way we can do things we could never do on our own.

So today – I want to talk about how, through our [Industrial Strategy](#), we are working with all of you in this room to help this amazing sector do even more.

Impact of sector

I've always appreciated the importance of this sector.

I was born and raised in the food and drink business with my father and

grandfather's dairy delivery round supplying our neighbours in Middlesbrough with fresh Yorkshire milk 7 days a week.

I know this same dedication exists all across the country.

Food and drink is the most geographically dispersed industry there is.

The FDF's Ian Wright has a great fact, that there's a food or drink manufacturing plant, with more than 50 employees, in every single UK constituency apart from Westminster.

From Scottish salmon farmers on the Isles of Mull and Harris in Scotland...

To workers in McVities' Stockport factory, which makes 2 billion Jaffa Cakes a year...

The food supply chain employs nearly 4 million people.

The food and drink industry is the biggest manufacturing sector in the country, larger than automotive and aerospace combined.

And in the last 10 years UK food and drink exports have skyrocketed growing by well over 50%.

Every year, I hear these statistics at conferences like these.

But, ultimately, these statistics, and the impact they demonstrate, need to translate into respect and engagement.

Simply put – you deserve the same level of engagement, with all parts of government, that other successful industries, like automotive, aerospace, life sciences and financial services, have come to expect.

One way we're putting this right is through the [Food and Drink Sector Council](#).

I really think this is the beginning of something important.

Bringing together government departments, farmers and growers, food and drink manufacturers, the logistics industry, the hospitality industry, and others with a stake in this flourishing sector.

Everyone sitting around one single table agreeing one single set of goals and working together to achieve them.

The FDF has played an absolutely pivotal role in bringing this council to life.

And we'll need your support to build its credibility.

So I'd encourage all of you here today to engage with its working groups. Make your voice heard and help transform the sector.

The next steps

One of the Council's early tasks is to propose a [Sector Deal](#) to drive forward each aspect of our Industrial Strategy as it reflects food and drink.

I take this personally.

Michael Gove and I will jointly lead for the government on negotiating this.

And I'd like to thank Ian Wright and Tim Rycroft for the crucial co-ordinating role the FDF has played.

I want this to be a totemic deal that establishes the food and drink sector as an essential part of this country's economic future.

Building on some big opportunities, which I know this sector is already seizing.

New technologies like AI and robotics are at the very heart of our Industrial Strategy.

And they're already transforming this sector.

For example, a potato processing company is already using AI to work out which spuds would work best for chips and which for crisps.

Cutting waste and saving money.

While in Milton Keynes, The Co-op is using robots to deliver up to 10kg of shopping to homes within a 2-mile radius.

With the company's 10 robots despatching around 1,000 orders since the app went live a month ago.

And – through our Industrial Strategy – we're already supporting this sector in adopting new technologies.

Back in February, I announced £90 million of Industrial Strategy money, bringing together AI, robotics and earth observation to improve supply chain resilience in the agri-food sector.

This includes support for 'innovation accelerators' charged with exploring the commercial potential of new tech ideas at pace.

And alongside new technologies the deal should also have a strong focus on new markets.

With just 1 in 5 food and drink companies exporting there's a big opportunity here.

Of course, many British brands are already renowned.

Ask people from around the world what food and drink they most associate with

the UK and I think Scotland would come out on top.

Scotch whisky. Or Scottish salmon, for example.

And the way that Scotland has blended food and drink with tourism and hospitality is a great British success story in its own right.

Yet – increasingly, the world is taking interest in British brands from south of Greta Green.

Last year, London Popcorn firm ‘Propercorn’ was the fifth fastest-growing independent business anywhere in Europe.

Within 6 months of launching in Germany they were stocked in 1,000 locations.

And are now the number 1 premium popcorn brand anywhere in the country.

While in the South West, Wyke Farms are encouraging dairy farmers within 50 miles of their Bruton dairy to partner with them to satisfy the growing demand from a Cheddar-hungry global middle-class.

We need to look at how we can help other firms tickle customers’ taste buds the world over.

Staying competitive

But let’s not forget that 7 of your top 10 export destinations are in Europe.

And Brexit is one area, where it’s so important that we not only listen to your concerns, but act on them.

After all – you are the ones who, day in – day out – actually live the million complexities which make up the reality of food and drink trade.

I know that this morning you heard from Michael Creed from the Irish government.

And last month, I travelled to Belfast to hear from companies, including food and drink firms whose supply chains span the border between Northern Ireland and Ireland.

One of those companies was Diageo who make Bailey’s Irish Cream.

Bailey’s manufacturing process works on an all-Ireland basis.

With ingredients and packaging materials crossing the border multiple times.

Milk travels from Northern Ireland to Ireland for processing into cream, some of which is sent back to Northern Ireland.

Whiskey goes from south to north, and back again, while bottles go from north to south.

With such highly integrated supply chains it’s no surprise that companies

like Diageo are concerned about the delays and costs that could be created by new customs processes.

And as we negotiate our new relationship with the EU, securing continued frictionless trade between Northern Ireland and Ireland, while avoiding hard border infrastructure, will be paramount.

I know that many of you are also concerned about the potential challenges of 'Rules of Origin' rules which determine a product's economic nationality.

This issue was raised in a recent, insightful report commissioned by the FDF and the National Association of British and Irish Flour Millers which I read with great interest.

One case study in the report features a loaf of wholemeal bread sold under a household brand in the UK and exported to Ireland, an EU member state.

The wholemeal and white flour it contains is milled in the UK from a blend of grains from growers in Canada, the US and the UK reflecting both global price and harvest quality.

Yet in one post-Brexit scenario, the use of UK-milled flour, including any quantity of wheat grown outside the UK, would automatically disqualify the loaf of bread from preferential import tariff treatment into the EU single market.

We need to take concerns like this into account, avoiding any unnecessary barriers to trade, including from 'Rules of Origin'.

Conclusion

Ladies and gentlemen, I truly believe that – together – we can do more.

And our Industrial Strategy offers so many opportunities to do just that.

From the Sector Council bringing together the whole 'farm to fork' industry like never before...

To agreeing an ambitious Sector Deal...

And listening to you as we negotiate a new relationship with the European Union.

This is a sector which has lived through change before and – indeed – has driven change before, and I believe that – together – we can do that again.

Thank you for inviting me here today.