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Economy, Trade, and Rural Affairs Committee

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Evidence from: Soil Association Cymru





Soil Association Cymru

Written Evidence Submission to the Economy, Trade and Rural Affairs Committee inquiry: “Food Processing”

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About the Soil Association

The Soil Association is a membership charity founded in 1946 by farmers, scientists, doctors, and nutritionists with a vision for good food produced with care for the natural world. Today, it develops and scales solutions for sustainable food and farming. Its Food for Life programme supports schools, hospitals, and caterers in shifting to healthy, sustainable diets. About 30% of primary schools in England are accredited. In Scotland, funded by the government, the programme now works with 18 of 32 local authorities to increase local and organic ingredients in school meals. In Wales, the Sustainable Food Places partnership, delivered by Food Sense Wales, promotes healthy, sustainable food in seven local authority areas. Soil Association Certification, our trading arm, works with over 8,500 businesses and land managers—farmers, foresters, growers, retailers, and manufacturers—in more than 60 countries, certifying over 27 million hectares of forest globally. A third of Wales’ organic farms and just under half of Wales’ forests are certified by Soil Association Certification.

Introduction

Soil Association Cymru welcomes this inquiry and we are grateful for the opportunity to submit evidence.

The topic of local supply chains for food procurement has increasingly been in the spotlight over recent years with shortages of fresh fruit and vegetables hitting supermarket shelves across the UK. Empty supermarket shelves are a clear sign of a broken food system. With the climate crisis escalating, Welsh Government must reduce our reliance on food imports and do more to support sustainable food production in Wales.

Although we all need to eat more seasonably, it is no coincidence that these food shortages also come alongside news of the lowest rates of domestic production of salad, including cucumbers and tomatoes, since records began in 1985. Urgent investment and system change is needed into this crucial part of the UK wide food

system to rebuild the processing infrastructure required by local supply chains. Fairer, more localised supply chains also hold a key part of the answer to the interlinked climate, nature, public health, and cost-of-living crises.

1. Comments on the Vision for the Food and Drink Industry 2021

1.1 The Vision for the Food and Drink Industry from 2021 is to “create a strong and vibrant Welsh food and drink sector with a global reputation for excellence, having one of the most environmentally and socially responsible supply chains in the world.”

1.2 This is a laudable vision statement, yet the relationship and potential tension between the underpinning goals for growth and productivity (‘our food sector will grow faster than in the rest of the UK’) and for sustainability (‘we will reach for the highest levels of environmental sustainability’) is not sufficiently explored or resolved in the vision.

1.3 Crucially, the vision contains no indicators or targets to define and steer delivery of an ‘environmentally and socially responsible supply chain’. The Social Partnership and Public Procurement Act 2024 provides a framework for socially responsible supply chains, and the next vision for the food and drink industry should reflect this and also set out how the vision links to statutory targets and policy commitments towards climate, nature and agriculture (Sustainable Land Management) goals and how food system data will be harnessed to allow performance to be tracked (such as through the Food Data Transparency Partnership, see section 3 below) .

2. The effect decreasing numbers of livestock have on the ability of the processing sector to add value to Welsh produce

2.1 We note the livestock industry’s concern regarding the recent declines in livestock numbers in Wales (and elsewhere in the UK), and the potential for this to impact supply chains, and the processing sector in particular. Within this debate we see that an increasingly consolidated supply chain – as both a product and a driver of intensive livestock production - has created a system that now lacks resilience and is ever more sensitive to even slight dips in primary production. This consolidation in processing capacity is increasingly a constraint on the development of local supply chains.

2.2 In this context, high livestock numbers - especially in intensive systems - can create significant pressure on local supply chains by reducing their ability to absorb fluctuations and variations in production.

2.3 Specifically, during the UK pig processing crisis in 2021, labour shortages in meat-processing plants caused thousands of pigs to be culled on farms because supply chains were "sophisticated" but left little room for handling variation in the primary product entering the processing chain and retail space. As a consequence, farmers faced abandonments of livestock, loss of income, and wasted resources.

2.4 We see a need to rethink supply structures and to reduce intensive livestock levels (e.g., a 50% drop in poultry and pork) to create localised, flexible systems with welfare and environmental safeguards.

2.5 Part of the solution to this lies in cooperation and community owned infrastructure, with Welsh Government playing a key role in facilitation and economic support.

2.6 We also see a need for transition support for both livestock farmers and processing businesses. This includes investment in processing diversification, support for alternative protein processing capacity, and infrastructure development for horticultural processing to compensate for livestock sector contraction.

2.7 A [recent joint open letter to Welsh Government](#) relating to small abattoir support in Wales sets out some additional policy requirements:

- Welsh Government support to help small abattoirs deal with increased regulation, running costs and veterinary capacity issues.
- Welsh Government recognition that the abattoir network is ‘critical infrastructure for Wales’, and work with industry to explore solutions such as capital grant schemes
- Continuation of the Food Standards Agency small abattoir discount

3. What the Welsh Government can do to further support the processing sector to increase added-value for food products in Wales, particularly for the red meat, dairy and horticulture sectors; and the barriers to increasing the public procurement of food processed in Wales.

3.1 The Soil Association sees an urgent need to join up local food producers with local public sector procurement systems. Welsh Government’s endorsement of and support towards the Welsh Veg in Schools scheme is welcome.

3.2 There is a significant role for the public sector to play in growing the regional and sustainable food sector. Sourcing food from this sector will contribute to climate change mitigation in supply chains and also bolster local economic resilience (as much as £3 in social, economic and environmental value for each £1 spent).¹

3.3 The Soil Association’s report “[Shortening Supply Chains](#)” (2018–2020) examines the dominance of global, centralized food systems driven by low prices and how the fragility of these were exposed during COVID-19 and climate crises. The report showcases innovative regional models - dynamic public procurement, food hubs, and digital

¹ Feeding Britain; our food problems and how to fix them – Prof Tim Lang

platforms like Open Food Network - that boost resilience, cut carbon emissions, support small producers, and improve access to sustainable food. The report urges public bodies to incentivize local sourcing, recognize the “public goods” of sustainable farming, upgrade food-supply infrastructure, invest in regional pilot schemes, and enhance IT/logistics support for food hubs.

3.3 Another report, [‘Can regional food systems feed the public plate?’](#) commissioned by the Soil Association in 2023 and produced by Manchester Metropolitan University strengthens the increasingly growing case to invest more to understand and support strong supply chains between local growers with local public sector procurers.

3.4 The report sets out to understand the capability of farmers and other regional food producers to supply UK schools, hospitals, and other public sector caterers through existing supply infrastructure. Several barriers were identified, along with a series of recommendations that show regional supply chains for the public sector could provide a solution to many of the issues the country is currently facing, including positive impact for the environment as well as local social economic development.

3.5 Eight key findings:

1. The complexity of procurement demand and a lack of transparency is a barrier
2. Public procurement can be an attractive alternative route to market for regional food businesses
3. Matching the scale of demand with available supply is a challenge for procurers
4. Cost and pricing are vitally important
5. A fundamental shift to regional sourcing is limited by seasonality in UK food production
6. The buying process needs to be simplified with more flexibility
7. Support measures are required, including stable and reliable demand
8. Buying standards that would include requiring procurers to purchase more food from local or environmentally enhanced producers is challenging but broadly welcomed

3.6. The report states that ‘the potential of the food manufacturing sector has long been overlooked by policymakers, particularly in terms of its contribution to regional and local socioeconomic development’

3.7 In a series of recommendations, the author, Dr Adrian Morley identifies ‘that connecting regional producers to public sector procurers, either as second tier suppliers, or through direct supply should be a priority.’ which would in turn require ‘a fundamental shift in practice for the sector.’ It is suggested that support for this agenda should ‘come through the roll out of flexible opportunity building procurement such as

through dynamic food purchasing systems as well as the provision of incentives through post-EU policy reform.’

3.8 The report identifies that ‘fruit and vegetable production is clearly the sector that has both suffered a decline in business numbers whilst also playing a ‘key role in regionalising food supply, particularly when considering public health and carbon emissions. It is recommended that ‘existing horticultural support mechanisms, such as the producer organisation scheme, should be reinforced and better oriented towards supporting market entry into the public sector. Moreover, support for growth in the horticulture sector should explicitly include consideration of production and infrastructure gaps at the regional level.’

3.9 The report concluded by calling for increased government capacity and powers relating to the use food system data, and for this to be developed in partnership with both industry and the champions of consumer and environmental rights. The recommendation was aimed at the UK Government’s Food Data Transparency Partnership, which has UK-wide scope, involving the devolved administrations.