

Can the Circular Economy Save Britain's Food and Farming Industry?

Wednesday 12th September | 12:15 – 15:00
Dining Room A, Palace of Westminster, SW1A 0AA
Chaired by Barry Sheerman MP

What would it take for the Circular Economy to help the British Food and Farming industry?

On Wednesday 12th of September the All-Party Parliamentary Sustainable Resource Group (APSRG) held an event in the House of Commons to discuss the results of the University of Exeter Business School's [Circular Economy - South West](#) project. This two-year research programme explored how Small and Medium Enterprises (SMEs) in the British food manufacturing industry can move towards a Circular Economy (CE) model, the benefits of a transition, and the opportunities and barriers for further progress.

Entitled "Can the Circular Economy Save Britain's Food and Farming Industry?", and chaired by Barry Sheerman MP, the debate benefitted from the input of Kerry McCarthy MP and Lord Teverson, who spoke about food production and the CE respectively. These parliamentary representatives shared the panel with the University of Exeter Business School professors and project leads Steffen Boehm and Mickey Howard, as well as 'Proper Cornish' founder and Chairman Phil Ugalde, who presented the point of view of SMEs.

Kerry McCarthy highlighted the importance of figuring out how to strengthen the whole food and beverage sector at the farm level, as well as the need to bring together government policies related to food waste collection and reporting, packaging regulation and compliance with the Paris Agreement climate change commitments. She also expressed concern about the fact that crops are being grown specifically for EfW (Energy from Waste), and the fact that, although the CE is "heavily referenced" in the Government's industrial strategy, it has yet to come out in other policy discussions around Westminster.

Professor Boehm then presented an overview of the University of Exeter Business School interdisciplinary research project and highlighted the need for "a new kind of design for the economy" that helps it move from a linear to a circular model. He also talked about how the CE – which he defined as "restorative and regenerative by design" – has the potential to help smaller farms be more efficient and resilient. Importantly, he brought up the need for businesses to move from competition to collaboration in order to help make the CE model work across regions and supply chains.

After Professor Boehm's introduction, Professor Mickey Howard opened his presentation with the question that led the research – "Can CE principles be applied to SMEs in the food and farming industry?" – and highlighted how, when initially looking at the current state of affairs, the team found both evidence of a lot of waste and several examples of good practice among dairy and bakery SMEs. Such good practice, although still operating at a small scale and not necessarily across business, had the potential to be further expanded by implementing a 5 step process designed by the research team to help SMEs move towards a Circular Economy.

The voice of the SMEs – which account for over 90% of the firms in the British food sector – was represented by Proper Cornish founder and Chairman Phil Ugalde, who agreed with the CE's potential to help SMEs, but also highlighted some challenges. Of particular concern were the upfront costs – usually too high for SMEs – and the need for a cultural shift "in hearts and souls" to take place before the CE can become a fully functioning reality in the farming and food sectors. Additionally, he identified Brexit and its implications – increase in raw material costs, limited supply of workers and margin squeezes due to the difficulties of transferring the cost of the new challenges to retailers – as a one of the biggest challenges for the food sector. Ultimately, Phil suggested that individual SMEs may not be able to transition to a CE model without full collaboration across different businesses throughout the supply chain.

Closing the panel, Lord Teverson raised the point that the CE concept is not entirely understood at the moment, and highlighted the importance of ensuring that the CE ethos is followed through in order to avoid it becoming a "passing fashion". Finally, he referred to the challenge of bringing the "high-level" talk on CE down to a point where it will work in the best possible way for SMEs, and highlighted, as everyone else, the need to adopt a systemic approach to ensure the CE works both in the sense of sustainability, but also for sustainable business growth.

The presentations were followed by a lively Q&A session, during which the issue of whether the CE can create value for SMEs in the food and farming industry, how would this happen and how important it will be in the context of a post-Brexit scenario were hotly debated by the more than 40 attendees.