

Developing Organic Export & Foodservice Trade



Lee Holdstock – Trade Relations Manager – Soil Association Certification





Developing UK Organic Export Opportunities

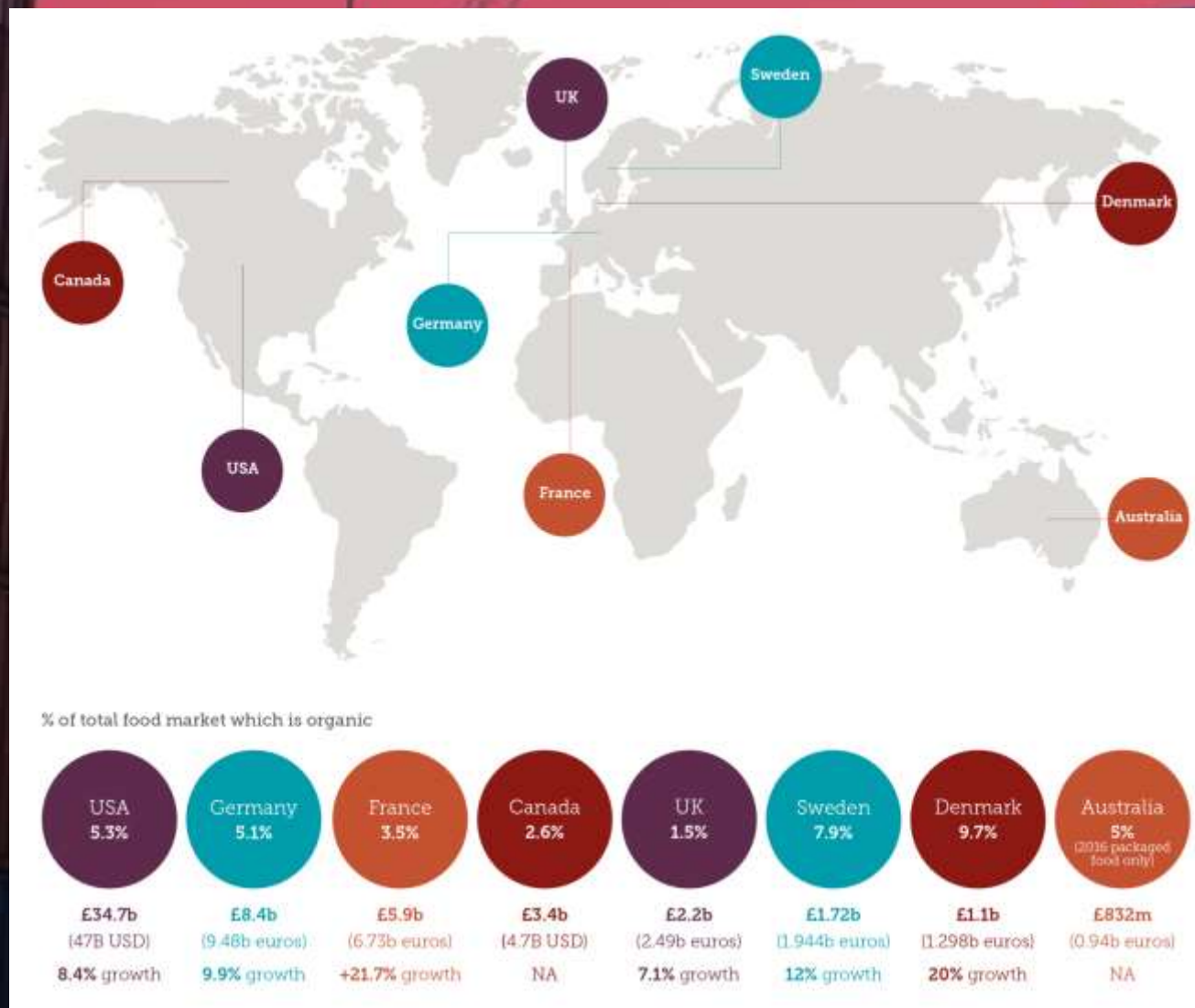
Why export?
Opportunities
Performance
Challenges
Moving forward

Why export?



- To diversify sales portfolio – reduce risk
- Businesses that export see a 34% increase in productivity within their 1st year of exporting
- Tap into available gov. support
- To support growth/bring volume to the UK organic market

Why export?

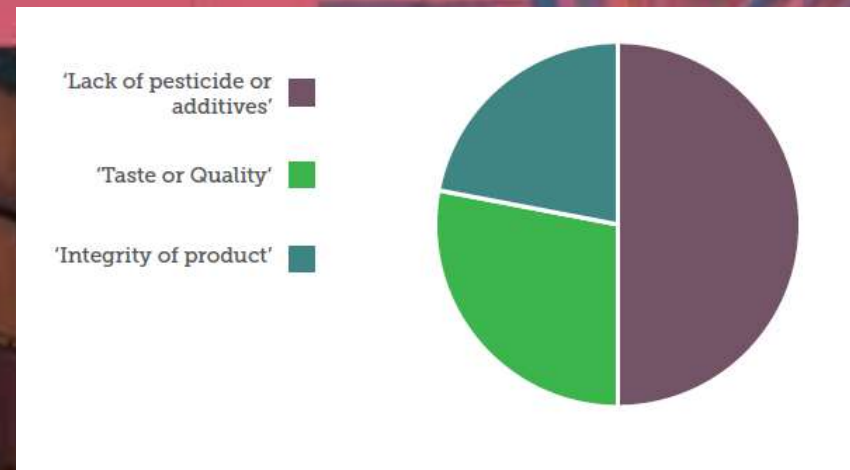


Virtually every other developed organic market has been performing better

Opportunity



- Organic food and drink exports remains under indexed
- Positive associations with UK -product and business integrity
- Freedom from pesticides/additives and quality/taste are important product attributes for overseas consumers



Opportunity

Germany, the US, China, France, Denmark and Sweden are all 1st choice prospects for export.

France, UAE, Netherlands & Sweden feature heavily in 2nd/3rd choices

Asia – rising wealth and focus on food safety/quality - untapped?



Organic Export Survey 2018

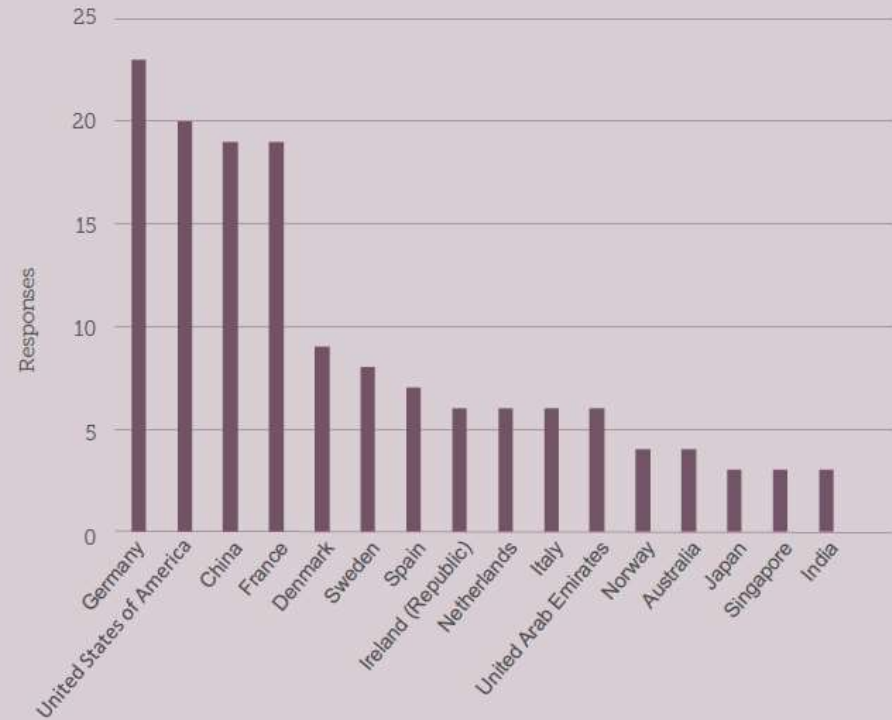
Foreword



Graham Stuart MP, Minister for Investment, Department for International Trade

The UK is a great exporting nation. This is critical to our prosperity, stability and security. Whether in creating jobs, raising wages or improving the resilience of the UK economy, it is exporters that lead the way. They account for some 60 percent of our productivity growth.

I am delighted that this survey highlights the vital role the organic sector has played in this success. Food and drink are the UK's largest area of manufacturing generating exports of more than £22 billion in 2017. Some £176 million of these are organic exports – a key area for future growth. This survey's finding – that more than



Performance

For 41% of organic exporters, export represented more than a quarter of their business.

Nearly half of organic businesses involved in export, are exporting ambient grocery products.

A quarter of businesses surveyed reported an increase in export value of >25% in 2017.



Organic Export Survey 2018

Foreword

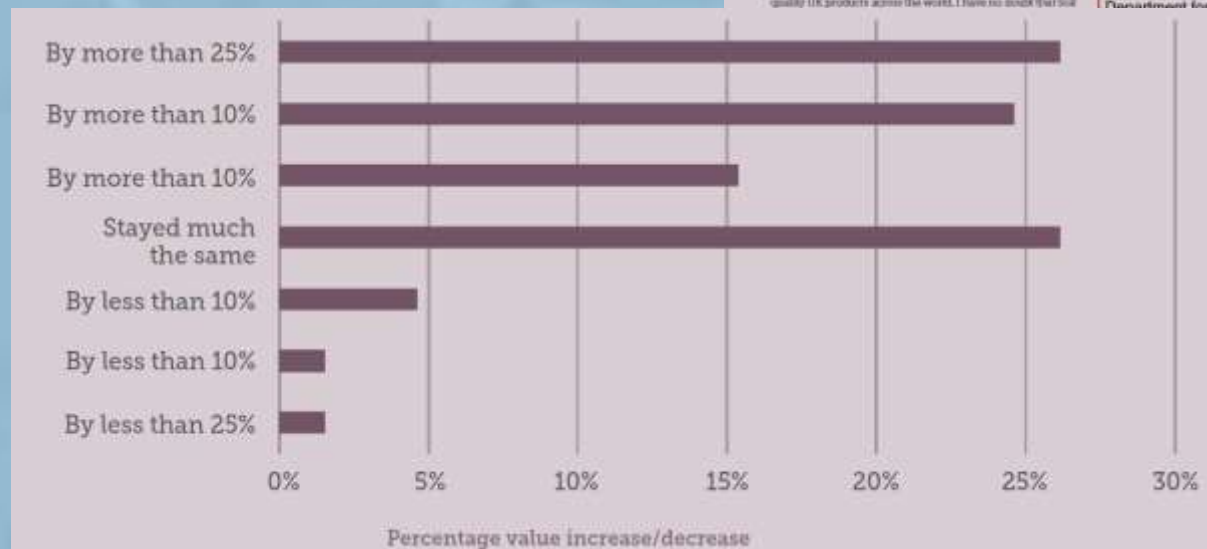
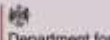


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As global demand for better accessibility, higher quality and better welfare standards grows, the UK's reputation in these areas will stand her in good stead. But there is more to do. With more than 33 percent of responding firms saying they do not export, it is clear we must go further. That is why the Department for International Trade has put this ambition to nurture a culture of exporting among UK firms at the centre of what we do. We are committed to providing effective, relevant and targeted support to food and drink companies to help them increase the export of quality UK products across the world. I have no doubt that Soil



Performance

Exports by country are low value - 68% of individual country exports of **<£50K in value, with just 6% exceeding £500K.**

Southern European and Nordic countries are the most popular for **lower export values (<£10K p/a)**

France, Germany and the US are associated With medium & higher value exports (**£50K-£200K p/a**)



Organic Export Survey 2018

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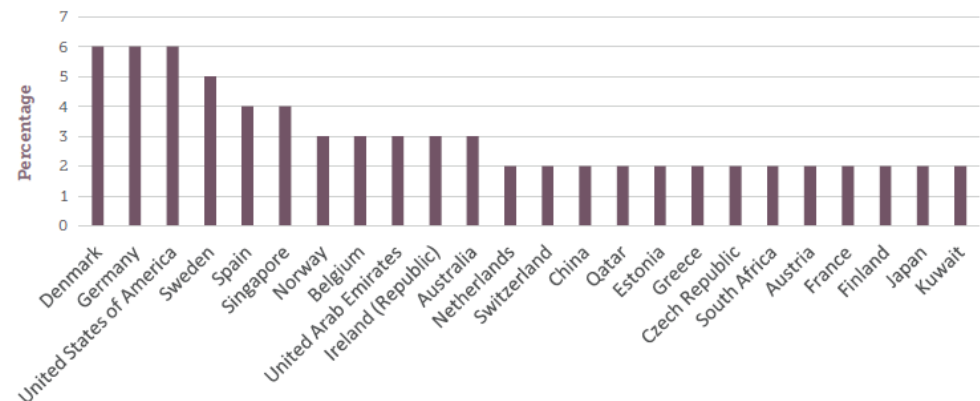
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As global demand for better accessibility, higher quality and better welfare standards grows, the UK's reputation in these areas will stand her in good stead. But there is more to do. With more than 32 percent of responding firms saying they do not export, it is clear we must go further. That is why the Department for International Trade has put this ambition to nurture a culture of exporting among UK firms at the centre of what we do. We are committed to providing effective, relevant and targeted support to food and drink companies to help them increase the export of quality UK products across the world. I have no doubt that Soil Association Certification and this Survey will play a valuable role in achieving this ambition.

Department for International Trade

Percentage country responses - £10-50K export value band



Challenges



- Brexit uncertainty
- Lack of detailed market information on performance, routes, partners
- Cost of market entry – US in particular
- **Regulatory equivalency, or a lack of clarity on regulations – e.g. for Asia region and the US.**



Moving Forward

EOAP Ambition

- Data capture - Export destinations, value, volume, types of UK Organic exports to aid effective planning
- Target markets - Coordinated plan with progressive targets, ensuring that organic included in trade discussions on these key markets.
- Capability - '**Food & Drink UK**' project - market development, global market intelligence, training, guidance and mentoring, as key to building export capability.
- Program of support - Activity, networks, and business trade support to maximize success of export.

Moving Forward

Building on existing support

- High Value campaigns - DIT
- Gov. Export finance
- Visit Britain
- FCO Support and Event
- ITA's, TA's (FDEA) & Chambers



**UK Food and Drink -
International Action Plan
2016-2020**

Moving Forward

Progress already being made



The Grocer

HOME • BUYING & SUPPLYING • STORES • CHANNELS • FINANCE • PEOPLE •

There's a huge opportunity for organic exports

13 Apr 2017 11:46 PM

Export. It's a proven way to balance a country's finances and drive productivity and since the Brexit vote, there's been a lot of talk about it. According to the Department for International Trade, about 19% (€10.1bn) of UK food exports went to the EU in 2016.



CROSSING THE POND

Exporting Organic to the US

Tuesday 20th March

Mary Ward House, Bloomsbury
London, WC1H 9SN



Exclusive exhibitor discount at Natural and Organic Products Asia 2018

Exclusive exhibitor discount at NOPA2018

09 January 2018



Natural & Organic Products Asia
29-31 August 2018 HKCEC | Wanchai





Developing Foodservice opportunity

Why Foodservice?

Opportunities

Performance

Challenges

Moving forward

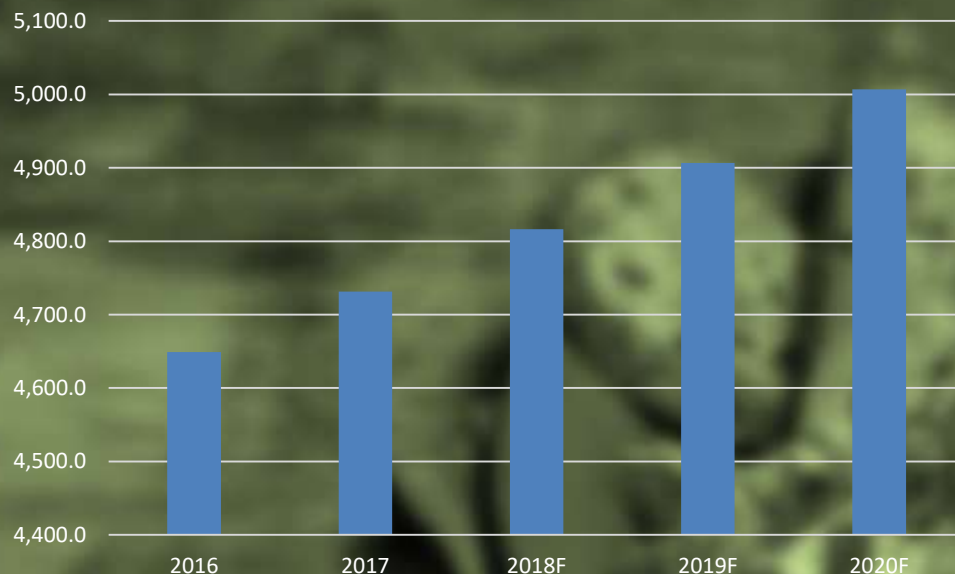
Why Foodservice?

- To diversify sales portfolio – reduce risk
- Response to changing eating habits
- Changing regulatory landscape – public procurement impacts considered
- To support growth/bring volume to the UK organic market

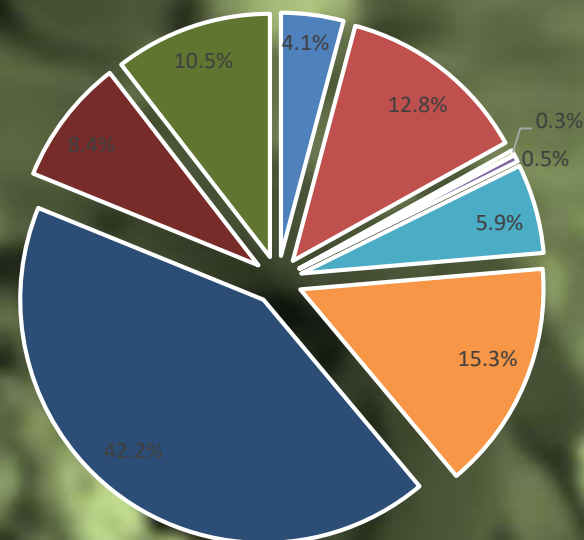
Opportunities (Contract)



Total Contract Catering (£M)



Market share



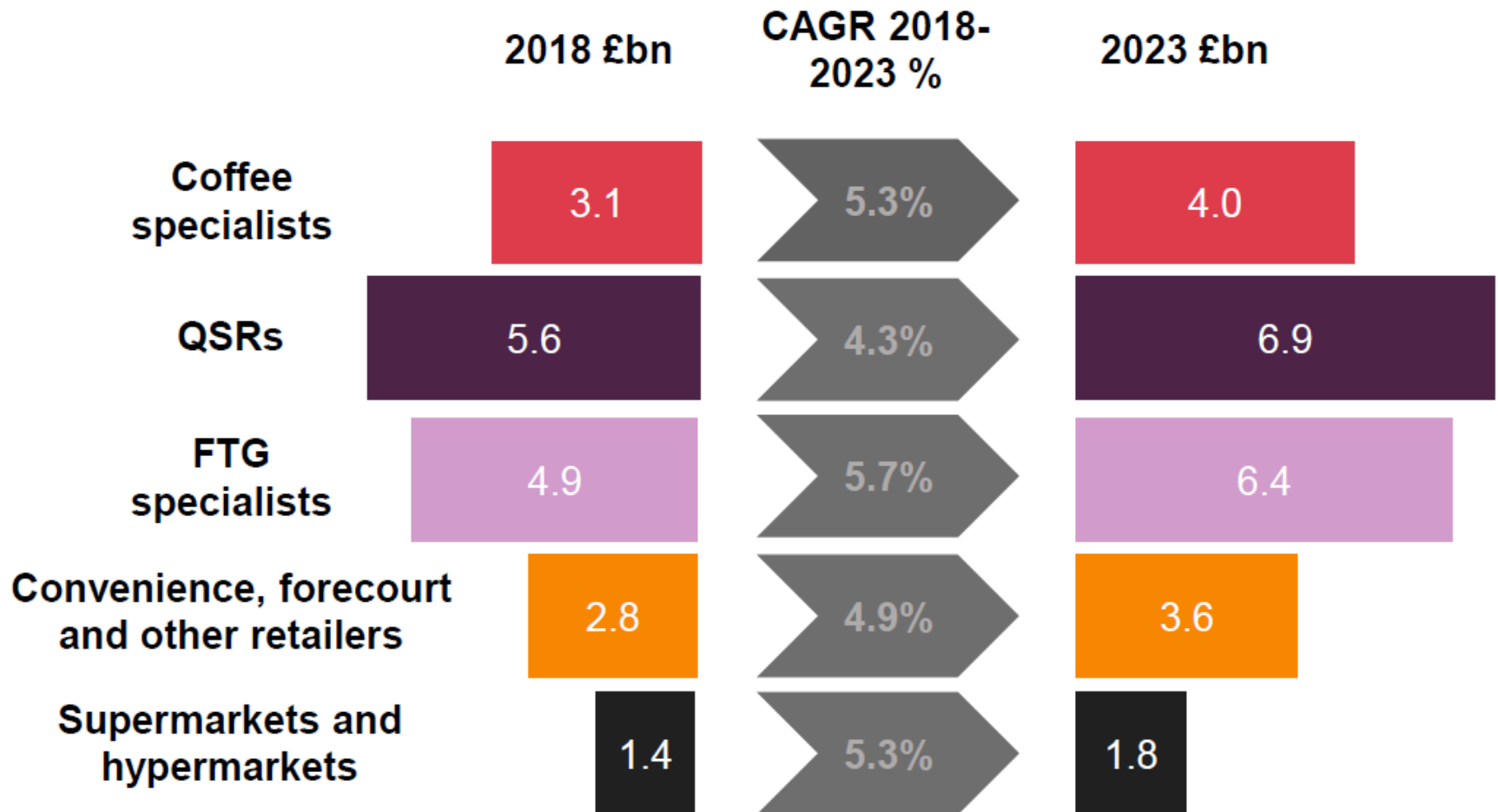
Top 10 Contract Caterers

Rank	Group	2016 Turnover (m)
1	Compass Group (UK)	1,987
2	Sodexo	1,196
3	WSH Limited	633
4	Elior	295
5	Aramark	289
6	ISS Facility Services	268
7	CH&Co	191
8	Mitie Catering Services	97
9	OCS Group	58
10	Servest	57

- Public Sector Other
- Health care
- Higher Education
- Independent Private Schools
- LA Schools Outsourced
- LA Schools In-House
- B&I Outsourced
- B&I In-house
- Leisure

The UK public sector spends £2.4 billion each year procuring food and catering services.

Opportunities (FTG)



Opportunities (Policy)



Plan for Public
Procurement and
'Balanced Score
Card'

Campaigns such as
'Out to Lunch'
engaging media and
driving better
practice in high St.

A poster titled 'LEAGUE TABLE' showing a ranking of restaurants. The poster is divided into two main sections: 'RESTAURANTS' and 'TOTAL SCORE / 50'. The 'RESTAURANTS' section lists 25 restaurants, and the 'TOTAL SCORE / 50' section shows their respective scores and star ratings. The poster is displayed on a wooden surface.

RESTAURANTS	TOTAL SCORE / 50
1 JAMES FALCON	75
2 WETTERSPONGE	60
3 STRADA	60
4 JAGGED	55
5 BEDFATER	55
6 HAZARDUM	50
7 HUNTERSTON	48
8 BURGERS & BUNS	48
9 JACQUELINE & SONS	48
10 CAFE BODDY	45
11 CARLISLE'S	45
12 ASK ITALIAN	44
13 DICK	42
14 HEDONALITY	41
15 PIZZA LONDON	41
16 CAFE GARDEN	40
17 PIZZA HUT	38
18 HUNTER HERSE	38
19 FRANK & BENNETT	37
20 CRAFTY	35
21 HANCOCK'S	35
22 KFC	32
23 TO FERRIES	30
24 PIZZAS	30
25 BURGER KING	32

Opportunities (OOH)



- Frequency - 61% of 18 to 24 year-olds and 62% of 25 to 34 year-olds eat out at least weekly (BrandTrack)
- Quality - volume of drink sales down by 2.3% in on-trade last year, whilst value of sales rose by 0.9%
- On Trend - Healthy eating, provenance, sustainability are three of big 8 eating-out '**Mega Trends**' (MCA)



Opportunities (OOH)



50%

agreed that they would be more likely to choose a restaurant that highlights its ethical or sustainable credentials

39%

agreed that they would be more likely to pay a little more for a meal or drink if it was made from organic ingredients

36%

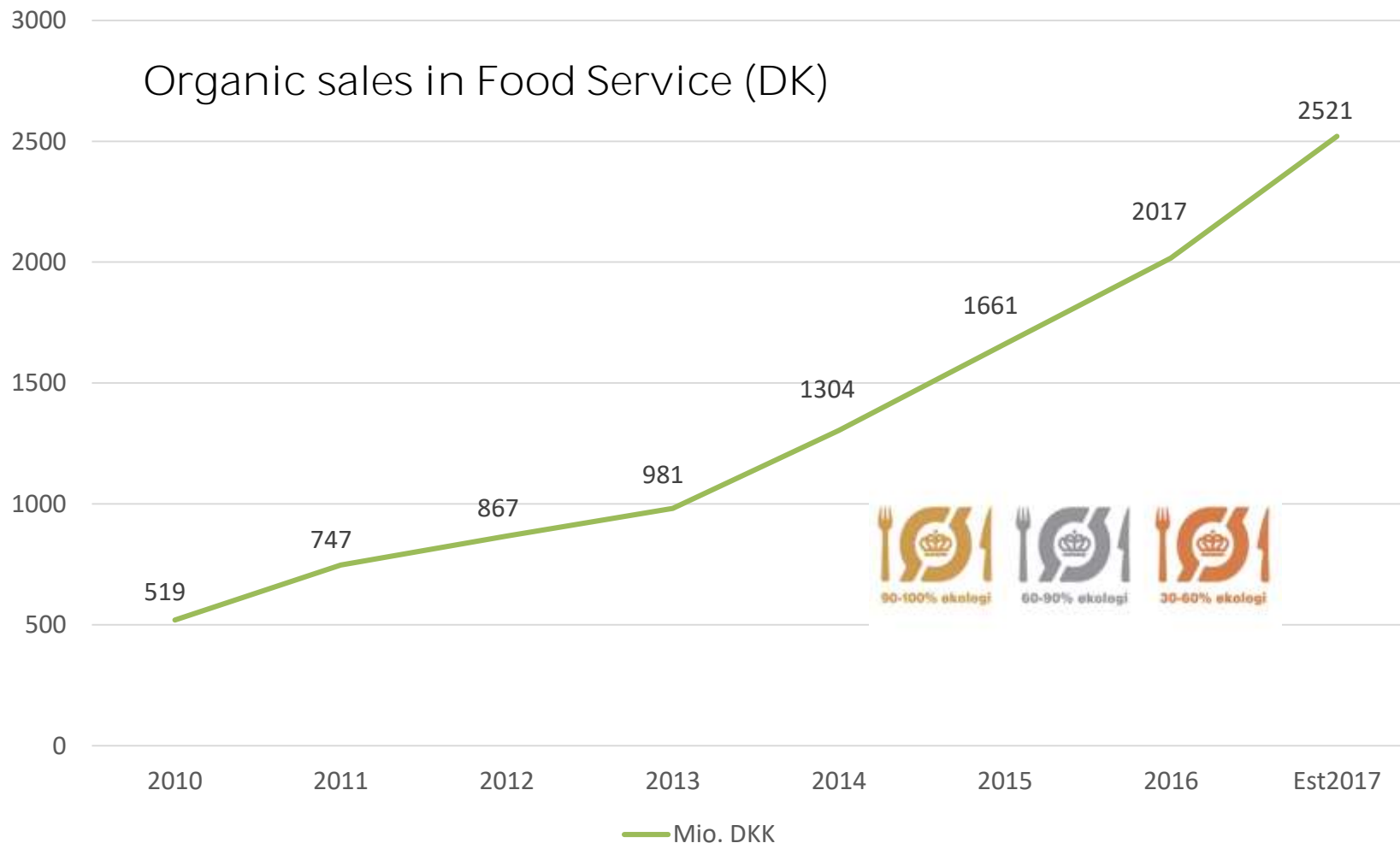
would be more likely to eat at a **restaurant or café described as organic**

Survey carried out by The Crow Flies Ltd on behalf of the Soil Association.
'Top 2 Box' scores – those who 'strongly agreed' or 'agreed' with the statements.

Opportunities



Organic sales in Food Service (DK)

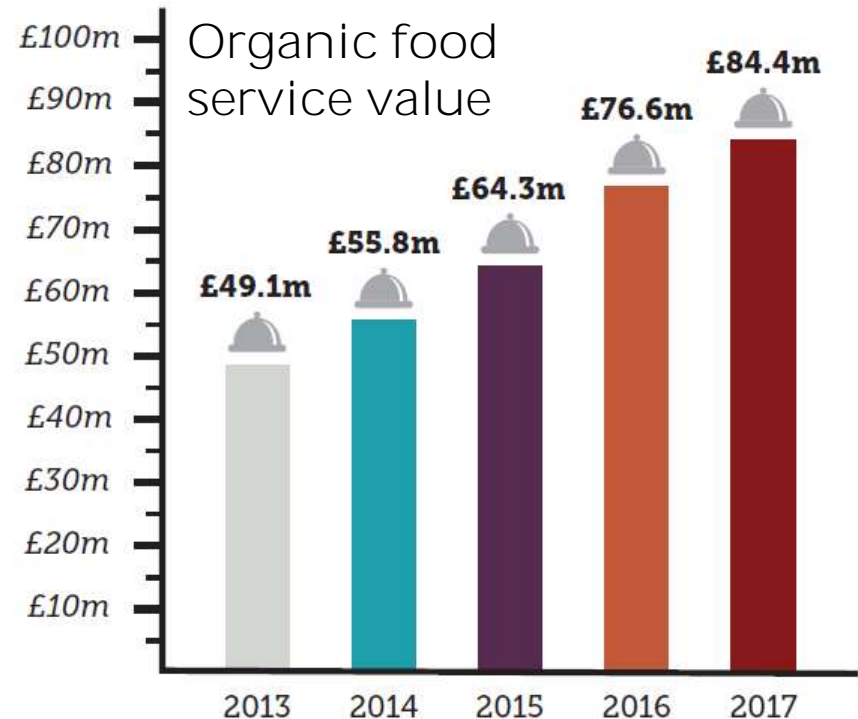
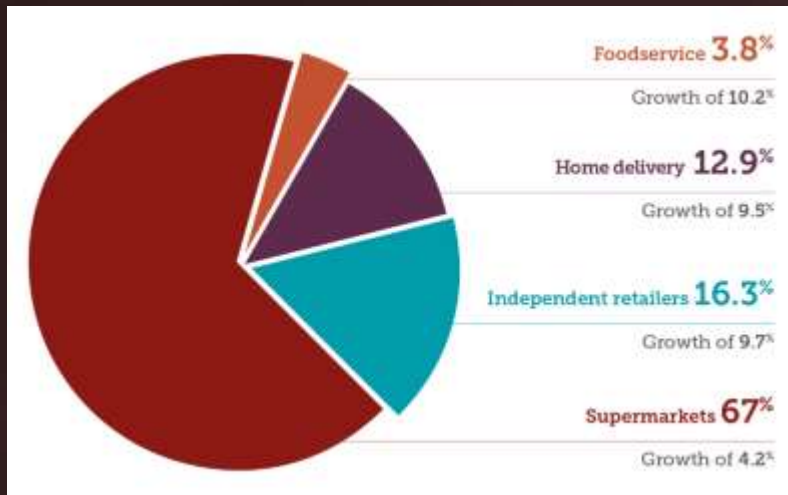


Performance

3.8% of the overall organic market

Growing at 10.2%

Organic Sales on the rise



Performance



Food for Life Served Here, engaging public sector with FFLP support

50%

percentage of English primary schools who have achieved a FFLSH award

Over 9,000

UK schools hold a FFLSH award

350

early years settings have a FFLSH award

113

UK universities have a FFLSH award

46,500

number of FFLSH meals served daily to patients, staff and visitors in UK hospitals.

that's over **13.5 million** meals a year

5.7 million

FFLSH meals served annually in workplace restaurants and cafés

available in **256**

visitor attractions around the UK



Performance



Organic Served Here

Driving organic sourcing in the High St.

136 stars awarded across 32 restaurants and cafes

Projected 58 venues by Spring 2019)



Challenges

- Supply Chain – Organic suppliers not able to adapt offer to FS, or meet need for efficiency
- Brexit – inflated costs and uncertainty about availability
- Consumer – Awareness of schemes and awards (also Chefs!)



Moving Forward



- Implement balanced scorecard across the whole public sector and use of Defra Food Marketplace Portal
- Re-specify the School Fruit and Veg scheme for 4-6 year olds to include a higher percentage of British, local and organic produce
- Encourage dynamic procurement model - incentivising independent verification - FFLSH



Moving Forward



- Double Silver and Gold FFLSH, exploring new sectors, inc. leisure, B&I
- Encourage further engagement in OSH
- Supply chain support – helping build knowledge /capability /innovation

