

THE KNOWLEDGE BANK

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**Scotland Food & Drink
Partnership**

Brian Richardson

Virgin Money

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The Future of our food

Brian Richardson, Head of Agriculture for Virgin Money

At the recent The Knowledge Bank conference Brian Richardson, Head of Agriculture for Virgin Money, congratulated the sector on its effective response to the pandemic, and predicted what challenges the post-covid world will produce.

Brian reviewed the turmoil of Brexit, with the search for the elusive frictionless borders that had been promised. However, without reaching a satisfactory solution, the industry was plunged into the chaos of Covid.

Brian said, “You, the food and drink industry, reacted incredibly quickly in adapting your businesses to keeping shelves filled, and redirecting supplies away from food service, making sure people had one less thing to worry about. It really was an almost wartime spirit, highlighting the skills we have and the sector’s ‘can do’ attitude. A difficult time, but working together to get the job done.”

“The world was starting to face the underlying issues once more, with new challenges affecting how we work. Today it’s shortages of workers and drivers, energy costs and inflation. Tomorrow there will be further issues we have not even thought about yet.”

The last three years have taught us that change will happen at an increasing pace. The UK must approach the future with a very open mind, and be at its best to succeed and thrive in the future.

The public now has much a much better understanding of where its food comes from, and what’s involved in getting it to the supermarket shelf. We must maintain that new awareness. Can we follow through into a fairer split of the retail price that allows businesses to keep investing and innovating on something more than wafer thin margins?

Our household spend, on average, is just 8% of income on food – the third lowest in the world behind the USA and Singapore. This represents incredible value for the UK consumer, but illustrates the challenge the sector has in making money to keep investing in the future.

The Knowledge Bank Conference has focussed our minds in thinking about how we run our businesses in the future, what is going to be important to the consumer, and what change in trends we will see. One issue that has taken a back seat over the last 18 months is climate change

and the wider net zero agenda. This debate will come back to the fore at the COP26 in Glasgow in November.

The UK Government has very clear ambitions and the pace of activity will surely pick up during and after the COP26. Brian's role mainly focuses on primary producers, and he sees how carbon emissions are now centre stage – in Government policy, and in the expectations of supermarkets and investors. This is not only the challenge of carbon reduction but also the wider ESG agenda, filtering down from the investment community and spotlighting all our businesses.

This will be a major focus for everyone. Now is the time for all businesses to delve into what this means for them and start to get plans in place to address the challenge, and also in how to deliver different customer requirements.

Brexit, together with the wider consequences of Covid in new lifestyle and working practices and the debt burden it will leave behind, are all challenges enough. And on top of all that, a focus on the climate challenge and changes needed to how we run our businesses, plus inevitable regulation, and how individuals will look to change their own habits. Clearly the next few years are going to be a period of significant change for all of us.

So, is this a glass half full moment or a glass half empty? Food, and drink, and agriculture have demonstrated time and again the ability to adapt and change to consumer trends. It is fantastic at identifying and delivering on new opportunities. When speed of change increases, central policy support often lags, but the great leadership in the sector supports forward thinking and innovation, and keeps Scottish food and drink as a respected world leader, creating great leverage to further build on in the future.

Brian concluded: "I am very positive about the future of the food and drink sector. It has adapted in the past and will continue to adapt to the future's many challenges. The management and skill base in the sector is truly world class. It's not easy and there is a growing list of factors outside our control, but I am confident the sector will thrive and innovate, building on what has been a very successful history for the Scottish food and drink industry."