

April 2003



**Friends of  
the Earth**  
Northern Ireland

# Briefing

# Re-localising food procurement

## How a 'local first' purchasing policy can boost farm incomes and cut food miles

### Introduction

Friends of the Earth has been alarmed by the decline in farm incomes over recent years and by the contribution made to climate destabilisation by the long-distance transport of food. In response to these crises, Friends of the Earth set out to re-localise Northern Ireland's food economy. Celebrity chef Paul Rankin launched the campaign in June 2002 with the publication of a report which found that local food could boost farm incomes and reduce the greenhouse gases emitted during the transport of food from producer to consumer. The report's authors favoured public procurement over supermarket sales as a route to market, given the record of the retail giants in abusing their enormous buying power to deny farmers a fair price for their produce.

In December, Friends of the Earth hosted a round-table discussion to examine how Government food purchasing might be re-localised. More than thirty purchasing managers and farmers' representatives heard from speakers with a practical and academic perspective on local food procurement. In this briefing we summarise the case the speakers made for re-localising food procurement and report the discussion that followed.

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- **dedicated to protecting the environment and promoting a sustainable future for Northern Ireland**
- **the UK and Ireland's most influential environmental campaigning organisation**
- **the most extensive environmental network in the world, with over 60 national organisations across five continents**
- **a unique network of campaigning local groups working in over 200 communities throughout the UK and Ireland**
- **dependent upon individuals for over 90 per cent of its income.**

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# **Re-localising food procurement in practice**

## **An example from Nottinghamshire**

The first speaker was winner of the Soil Association's Local Food Initiative of the Year 2002. Jeanette Orrey reported on her switch to local food at St. Peter's Church of England Primary School in Nottinghamshire where she is Catering Manager. She began a dialogue with local farmers and growers, visiting their farms, explaining what she was trying to achieve and asking for samples. She also talked to the children, their parents and the school governors to win their support for her initiative.

The children responded well to Jeanette's new food sourcing policy and the consequent increase in the quality, variety and nutritional value of their school meals. Many children have abandoned their lunch boxes and the chip shop in favour of the school canteen, and kitchen staff report higher levels of job satisfaction and less food waste. A survey found that the 'top five' canteen favourites at St. Peter's were roast dinners, lasagne, spaghetti bolognese, pasta, peas and bacon, and apple crumble, confounding the popular belief that children prefer 'junk foods' such as burgers, sausages and chips.

Parents and teachers are also delighted by the improved variety and quality of canteen food, saying that the children are better nourished and more attentive at school. Jeanette also reported on the benefits beyond the school gates where her initiative has provided a stable market for producers, boosted farm incomes and promoted community cohesion.

## **An example from Gloucestershire**

The second speaker was Kay Knight, Head of Catering and Contract Services at South Gloucestershire County Council. The entire service has been switched to local food, including breakfast clubs, tuck shops, midday meals and after-school homework clubs at 120 schools. So far, Kay has sourced local beef, pork, lamb, potatoes, vegetables, eggs, fruit and ice-cream.

Remarkably, she achieved this without any increase in her budget. Her local sourcing policy led to an increase in the quality and variety of meals on offer in school canteens, and this in turn led to a dramatic increase in the number of school meals sold. High fixed costs and low marginal costs meant that once Kay had sold enough meals to break even on her fixed costs, the income from the additional meals sold was almost entirely surplus and could be ploughed back into further improvements in food quality, higher wages for catering staff and new kitchen equipment. A virtuous circle had been created.

A lot of energy has gone into promoting the new food sourcing policy to children and their parents. Menus and newsletters are sent home, inviting parents to join their children for breakfast or lunch on special 'taster' days and to shop at farmers' markets across the county.

Kay feels particularly proud of her 'fruit tuck' initiative. For just 10p, children can buy a paper cup filled with bite-sized pieces of fruit for their mid-morning break. Kay knew that small children find it difficult to eat whole pieces of fruit but when presented with a variety of fruits cut into bite-sized pieces, they will accept it. Thanks to Kay, thousands of children in South Gloucestershire are well on their way to the Government's recommended daily intake of fruit.

## **How European procurement directives are lawfully circumvented elsewhere in Europe**

The third speaker was Adrian Morley of The Regeneration Institute at Cardiff University. Together with Professor Kevin Morgan, Adrian published a report entitled 'Re-localising the food chain: the role of creative public procurement' in the autumn of 2002. The report examined the barriers to local food procurement and described the ways in which they are being overcome in countries such as Italy and France which have strong local food economies.

The three main barriers were found to be regulations, resources and the cheap food culture. With respect to regulatory barriers, in the European arena these are the Treaty of Rome and various Public Procurement Directives, while Best Value is the regulatory barrier at home. The twin principles of non-discrimination and transparency are embedded in the European regulations. However Adrian reported that Italy, France and some Scandinavian countries adhere to 'buy local' policies in all but name. The mechanisms they use are listed below.

1. Buying more fresh food

Reversing the trend towards buying in ever more processed food by purchasing fresh ingredients favours local producers, by reducing the power of large multinational business interests who tend to dominate the processed food sector.

2. Buying more organic food

The organic sector remains relatively fragmented compared to its conventional counterpart and there appears to be less competition from large, remote businesses for organic contracts.

3. Buying more domestic varieties

A shift from exotic fruits and vegetables towards more temperate varieties creates opportunity for domestic growers.

4. Buying seasonal products

A return to seasonal consumption patterns creates an opportunity for local producers.

5. Using favourable service specifications

Greater emphasis on freshness, short delivery response times and, crucially, minimal packaging all favour local producers. In Pori, Finland the purchasing authority specifies that milk be delivered in bulk rather than in cartons.

6. Allowing for use of lots

Promoting the use of lots creates opportunity for local suppliers. In Venice, for example, a contract for the supply of food to schools was broken into lots: beef, chicken/eggs, milk products, cereals, tomato products, fruit and vegetables, frozen products and others.

7. Allowing for use of variants

This contractual method prescribes two or more variations of a product that can be supplied. In Finland this has allowed organic producers to tender for conventional contracts.

## **Re-localising food procurement**

### 8. Operating below EU procurement thresholds

Although maintaining contract sizes below EU procurement thresholds is specifically prohibited by EU law, it does seem to be widely practised in certain regions.

### 9. Using third parties to manage meal provision

In Italy many schools have handed over the operation of their canteens to not-for-profit organisations set up and managed by parent committees. Likewise, doctors and nutritionists could oversee hospital catering by such organisations. Third parties generally enjoy greater freedom than public institutions in their procurement activities.

### 10. Providing support from 'above'

Politicians and policy-makers send clear messages of support for local food sourcing and provide advice about what is legal and acceptable. Besides their work within the regulatory environment, they also address supply issues and consumer education.

## **Open discussion**

Friends of the Earth's intervention was welcomed by the procurement managers who attended. The profession is currently reviewing policy, partly in anticipation of a new raft of European procurement directives which will be more alive to social and environmental considerations. The campaign also received the backing of the Ulster Farmers' Union because it complements their Campaign Against a Rural Exodus (CARE).

There were a number of concerns expressed however and a number of issues identified which merit further investigation. These can be summarised as follows:

- What evidence is there that local food really boosts farm incomes?
- The seminar title (Re-localising food procurement) could be misleading because it suggests that the public sector does not already purchase Northern Ireland food.
- Given that Northern Ireland producers are already supplying public sector bodies, how much scope exists to increase their share of the market?
- A re-localising of our food economy could damage exports if consumers in other countries 'retaliated' by favouring local produce over ours.
- A shift towards fresh food could disadvantage Northern Ireland's processing sector.

## **Conclusion**

It is hoped that Procurement Service will conduct a piece of research jointly with the Department of Agriculture and Rural Development to assess just how much Northern Ireland food is currently procured and, secondly, to assess the potential for growth, for example how many more school meals could be sold. The meeting also identified a need to train the procurement profession and to that end the Sustainable Northern Ireland Programme (SNIP), the Northern Ireland Local Government Association (NILGA) and IDEA all offered to provide training. (NILGA would provide training only for local authority staff.) Friends of the Earth will facilitate another meeting to build on the progress made to date.