

## **A turn to the market: a decade of food policy and its impact on domestic production of fruit and vegetables**

This paper examines the turn to the market in food policy since 2002 and its impact on fruit and vegetable growers in England. Its starting point is the publication of what became known as the Curry Report (2002) in January 2002 (its full name was the Report of the Policy Commission on the Future of Farming and Food). It was, in effect, a turn to the market in food policy in which farmers and growers were encouraged to reconnect with their supply chains, become more market-oriented, and to engage in modern marketing practices. There then followed a period of policy development with the publication of a number of policy documents that extended Curry's original concept of market-oriented reconnection. A critique of the policy of reconnection is presented which highlights the paradox that a market-oriented policy enabled the inclusion and containment of non-market concerns: environmental despoliation and health (although it appears that the importance of concerns beyond narrow economic interests is diminishing under the Coalition government). Using an alternative and radical conceptualisation of reconnection, the analysis also reveals the underlying ideology of a policy presented as a pragmatic response to the problems in farming.

### **Why did the turn to the market in food policy happen?**

In the post-war period government policy for agriculture was shaped by a productionist agenda, (Lang, Barling et al. 2009) and in the UK was dominated by a powerful allegiance of the Ministry of Agriculture, Fisheries and Food (MAFF) and the National Farmers' Union (NFU) (Smith 1990). However as early as the 1970s criticisms of a production-subsidised agriculture policy gathered strength in the face of mounting evidence in the form of food mountains and environmental despoliation. The criticisms were more powerful because they emanated from across the political spectrum - from the right which argued that subsidies were wasteful and a burden on tax payers, and from the environmental movement which raised concerns about the environmental impact of farming practices (Smith 1990).

The period leading up to the publication of the Curry Report was challenging for domestic farmers. Declining incomes, and declining influence were bad enough, but the catastrophes of BSE and Foot and Mouth disease brought farming in the UK to the edge of crisis. A less spectacular change was also having a profound effect on English fruit and vegetable growers: the development of buyer-dominated global commodity supply chains (Gereffi and Korzeniewicz 1994). Since the mid-1960s grocery retailing had been transformed into a highly successful, concentrated and influential sector in Britain, as in many other countries (Corstjens and Corstjens 1994). The repeal of the 1964 Retail Price Maintenance Act opened up a route to growth for retailers implementing a low margin/high volume competitive strategy. The balance of power shifted downstream in food supply chains, and retailers were able to use their position to appropriate value from other supply chain actors including suppliers (Towill 2005) to such an extent that the Competition Commission investigated supermarkets in 2000 and later in 2008 (2000); (2008).

### **The Development of a Turn to the Market in Food Policy: Reconnection**

The Curry Report set out a vision for a UK farming industry that was competitive and not reliant on production subsidies. But subsidies were not to be shelved. Rather they could be used to encourage the adoption of a more environmentally sustainable approach to food production. In this way, protection of the environment was framed as a public good for which farmers could be paid from the public purse. The Curry Report made use of strategy concepts from Porter (1985) and Ansoff (1986) to advocate marketing strategies for farmers: add value, become more efficient, diversify into activities to increase income from non-farming activities, or exit the market. Its recommendations also drew on the prevailing ideas from relationship marketing (for example, Gronroos (1994)) for collaboration across and along the supply chain. Although the main thrust of the Curry report was a theme of market reconnection, it also drew on the Brundtland conception of sustainable development (1987) in which economic, social and environmental concerns were interconnected. The Curry report was organised into three main sections: profit (by far the largest section); environment; and people (the smallest section). Curry was followed rapidly by the Strategy for Sustainable Farming and Food at the end of 2002 (SFFS, (2002)).

Economic viability remained a strong narrative in the new SFFS but it was more embedded within a sustainable development agenda and the key principles of the SFFS were developed with the support of the Sustainable Development Commission (SDC) (see SFFS, 2002 page

12). The SFFS document made use of win-win ideals that are commonly deployed in marketing discourse to encourage producers to engage with the increasingly global supply chain. Drawing on a global trade model, it was suggested that commodity type foods could come from producers elsewhere, and English growers would focus on the high value end of the market. Adding value, assurance schemes, organic farming, and export were the first four initiatives on the section headed 'Reconnecting with the market'. These four suggestions are well intentioned but they appear to be tiptoeing around the mainstream food system, especially for fruit and vegetables. Export, for example, is insignificant for domestic fruit and vegetable growers (AUK Statistics 2010) and organic food, added value products and assured produce were relatively small markets, despite some periods of rapid growth between 1995-2005 (Mintel 2009). For a reconnected strategy it seemed determined not to reconnect with the mainstream domestic supply chain. It was as though basic food commodities were simply not the job of many English farmers any more, and free trade with cheaper overseas producers would ensure supply all year round. The remaining strategy initiatives: advice, diversification, and public procurement again sought to offer English farmers with an alternative to supplying mainstream individual consumers. A few, large agriculture businesses, based on a plantation agriculture model, took on a trading role, which fitted with the category management model adopted by the grocery retailers (Free 2007). These grower businesses looked less like farms and more like import-export corporations.

So it would appear that many English growers were not particularly well reconnected with mainstream English customers. Reconnection was advocated in SFFS but it was a reconnection to an almost mythical ethical customer base (see Devinney, Auger et al. (2010)). Domestic fruit and vegetable growers were to survive by becoming a facsimile 'Good Life' version for hyper-real consumption. However, the SFFS did attempt to show English growers there were opportunities for business growth, suggestions included: locally-produced food; marketing grants for investments through the Processing and Marketing Grant Scheme (PMG), (although subsequently its efficacy in supporting producers and farmers has been questioned (Elliott, Temple et al. 2003)); and the Food Chain Centre (2007) helped farms rationalise their activities, with some success, for example, in carrot and onion production. The figures would suggest that this approach was reasonably successful and both home-grown carrots and onions, unlike much of the rest of domestic fresh produce production (with the exception of strawberries), experienced volume growth (Basic Horticultural Statistics, (BHS 2010)). See Appendices 1 and 2.

The Cabinet Office Food Matters report, published in 2008, demonstrated the high priority given to food supply in policy circles at the time prior to the credit crunch. (Cabinet Office (2008)). This policy document considered the whole food supply context, in contrast to the Curry report which was focused primarily on farming and agriculture. But its conceptual links to Curry were apparent. The three themes of sustainability are given prominence in the first page of the executive summary grouped under four headings: economics and equity; health; safety; and the environment. It is interesting to note that societal concerns have become more prominent – diet-related ill health is identified as a key issue, separate from food safety which was the main health concern related to food policy a few years earlier. It is

also interesting to note the juxtaposition of economics and equity. In this report the societal concern for fairness and equity is bound up with the market mechanism. There is a conscious attempt to articulate the view that markets are the way to deliver lower prices (and thus equity through access to cheap food), drawing on the idea that economic development is the route to a fairer society (Porter and Kramer 2011).

In the final months of Brown's New Labour government another major food policy document was produced, Food 2030. Developing ideas from the earlier reports, this document attempted to refine food policy in the light of increasing concerns about climate change and food price volatility. A key shift in policy was the focus on increasing food production to feed an expanding global population. In Food Matters, published just a couple of years earlier, little mention is made of this issue but the food price spikes of 2007-8 highlighted the fragility of a food policy based on global trade. Like Food Matters before it, the frame of reference underpinning Food 2030 is the whole food system, not just farming, and mentions of industry representation in Food 2030 reflected that perspective. Food 2030 brought the FDF (Food and Drink Federation) and BRC (British Retail Consortium) into the heart of the policy process (Food 2030 (2010) page 71) but civic society is also brought into the policy making process as well, for example, the policy process included the Council of Food Policy Advisors (CFPA). The turn to the market allowed retail multiples to influence policy, but also legitimised the place of the individual citizen-consumer in the policy making process.

Nevertheless, there did seem to be an attempt to contain debate about sustainability by focusing on less controversial issues that work within the existing competition state paradigm. For example, greenhouse gas (GHG) emissions were afforded a key position in the sustainability debate with an explicit commitment to reduce GHG emissions from the UK food system (Food 2030 (2010) page 77). Waste was also prioritised as evidenced by the specific indicators for waste (Food 2030 (2010) page 78). By focusing environmental sustainability on these two issues the government could limit the discussion of more controversial environmental issues such as biodiversity (Glazer 2010); (Smaje 2011) or the inherent unsustainable nature of a consumer society based on continuous economic growth in which an industrial model of agriculture delivers a Western diet across the globe (this is not mentioned at all) (Woodward and Simms 2006); (Tudge 2007).

### **Food policy under the Coalition Government – continuity and containment of a reconnection discourse**

A new coalition government came to power in May 2010. The Taylor Review, published in early 2010 (Taylor 2010), and the more recent progress report (2011) signalled the direction and progress of Conservative (and later Coalition) food policy. The emphasis was on farming as a business and there is little here that linked the food system to health. For almost a decade health had risen up the food policy agenda but here health is side-lined in the food supply chain discourse.

The Defra Business Plan stated that the Coalition will be the 'greenest government ever' (Defra 2011 page 1) based on a model in which industry and local communities will take responsibility for the shift to a green economy. In the wake of the policy shift the delivery

bodies set up as a result of previous policies were disbanded or reformulated, for example: EFFF (English Food and Farming Partnership), SDC (Sustainable Development Commission), Food Strategy Task Force, and FSA (Food Standards Agency), in line with the decision to remove 'democratically unaccountable bodies' (Defra 2011 page 4). The Fruit and Vegetable Task Force, set up in 2009 under the previous administration in response to a proposal from the Council of Food Policy Advisors (Fruit and Vegetable Task Force (2010) page 5), attempted to develop a discourse that involved farmers, producers, civic society and consumer groups, and government. Later, under the Coalition government, the Fruit and Vegetables Action Plan was published (Fruit-and-Vegetables-Task-Force 2010b ). This was a much watered down version of an earlier report (Fruit and Vegetables Task Force 2010a ) but suggested that the market-oriented policy remained in place for domestic production of fruit and vegetables, albeit without much to say on environmental reconnection or health.

### **A critique of Curry's market reconnection: an alternative view of reconnection**

The Curry Report and those that followed presented a persuasive and plausible argument for a pragmatic policy response based on a particular market-oriented conceptualisation of reconnection. The turn to the market in food policy also reflected the broader policy discourse of the time. The choice agenda (Jordan 2006), Rhodes' hollowed out government (2000), the rise of the competition state (Cerny and Evans 2004), and the decline in the redistributive role of policy (Timmer, Falcon et al. 1983) are evidence of an emerging discourse based around the idea of the citizen as consumer in an after modern era. So whilst it is possible to read the Curry Report as a pragmatic response to serious problems in agriculture, it is also important to examine the ways in which the arguments were put together to drive forward the agenda of marketization of the public domain, and in so doing promote and shore up a globalised version of buyer-dominated commodity supply chains.

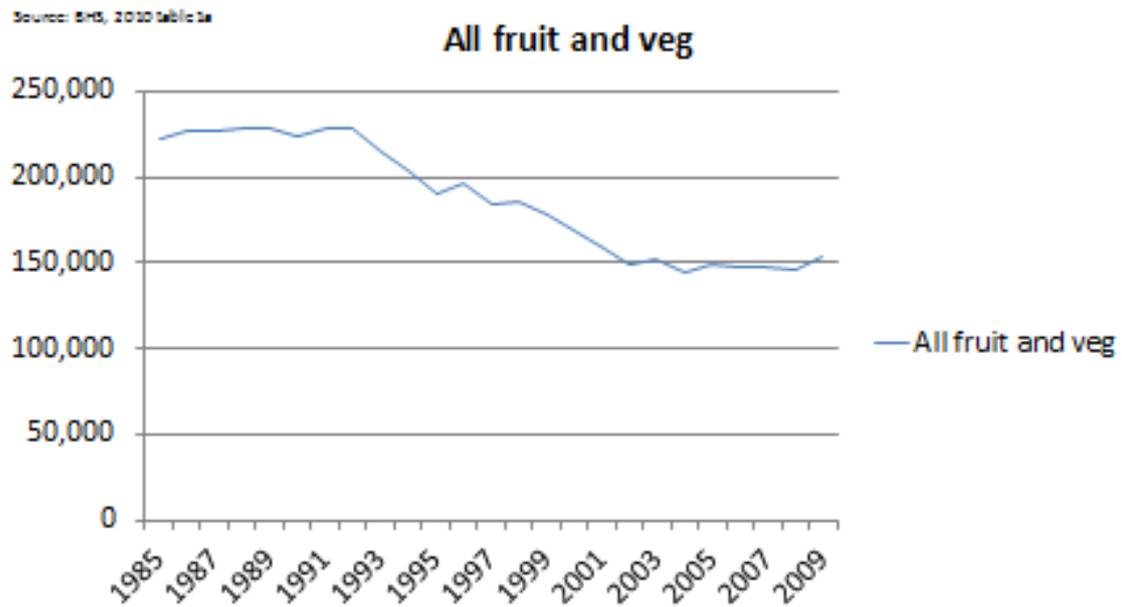
The constructed nature of the Curry depiction of agriculture and food supply chains may be highlighted by comparing its depiction of reconnection with an alternative conceptualisation of reconnection. One alternative depiction of reconnection is provided by Kneafsey, Cox et al. (2008). They also use reconnection as a metaphor for understanding the problems in food supply chains. But their view of the problems and thus the solutions are very different from the type of reconnection imagined in the Curry Report. In the analysis by Kneafsey, Cox et al the problems of a disconnection between producers and consumers of food were presented not as a consequence of subsidies but rather a result of long supply chains in which production and producers are physically distanced from markets and consumers. The complex processes of production are concealed behind the factory gates of industrial farms in far off places so that the disconnection contains both physical (physically distant) and mental (lack of knowledge of production processes) components. Kneafsey et al (2008) focus on two key problems that arise from the existing arrangements along the globalised commodity food supply chains: *health*, particularly for vulnerable groups of the population; and what they termed *food-related anxiety*. Food-related anxiety is the paradox that something as beneficial and benign as food can potentially cause harm. Addressing these issues is aligned with the broader public interest and thus food policy goals.

Kneafsey et al also suggested there were further intrinsic grounds for seeking to address food-related anxiety. Food, it was argued, should be a source of pleasure and enjoyment, not a source of concern and a good society should pursue policy goals to address food-related anxiety. This argument reveals an underlying radical, critical ideology that questions the advantaged position of global capitalism in policy discourse. Their analysis privileged health and environmental aspects of a sustainable food policy. The Curry Report, and policy developed from it, put economic and to a lesser extent environmental issues at the heart of a sustainable food policy. The Kneafsey et al analysis brings to the fore solutions beyond the existing neo-liberal mainstream arrangements for food production. Their vision of producer-consumer reconnection, in contrast to the more impersonal production-market conceptualisation envisaged in the Curry Report, is of consumers reconnecting directly with producers. The examples they provided of reconnection covered a range of levels of interconnectedness. At the most extreme this reconnection may be manifest in the model of consumers as producers, for example in the form of community gardens, community co-ops and allotments. Somewhat less interconnected were the examples of producer-consumer partnerships such as CSAs, community supported agriculture schemes, and direct sales arrangements such as box schemes and farm shops. It was a vision of reconnection based on exchange but the nature of the exchange is qualitatively different from that envisaged in the Curry Report. The Curry report's conceptualisation of reconnection as market orientation is based on an ethical stance of self-interest whereas the alternative Kneafsey et al view of reconnection is based on an ethic of care for others (see Appendices 3 and 4).

This paper has traced the turn to the market in domestic food policy as it impacted on fruit and vegetable growers in England by examining key policy documents produced over the decade since the publication of the Curry Report in 2002. The turn to the market encouraged growers to reconnect with a global commodity supply chain dominated by retail multiples. Domestic growers found it difficult to thrive by serving mainstream demand for fruit and vegetables, with the result that domestic production across most fresh produce in terms of volume, value and area planted did not fully recover from the decline of the 1990s. Although a few large vertically integrated grower organisations were able to survive, using collaborative arrangements with overseas growers to provide all year round supply to retailers, the options for other growers were at the margins of the market: organic, or speciality added value produce, or alternative supply networks that circumvented the mainstream supermarket networks. The paper argues that markets, and the marketing practices that take place in them, emerge from the ideological assumptions on which policy is formulated, echoing the argument made by Araujo that marketing ideas and practices actively perform and shape the economy (Araujo, Finch et al. 2010). The Curry analysis demonstrates an ontology that sees the present societal and political arrangements as natural and inevitable. Adopting a critical perspective (Tadajewski and Brownlie 2008) an alternative analysis of exploring reconnection suggests that buyer-dominated supply chains, like any other market, are performative, constructed and not inevitable.

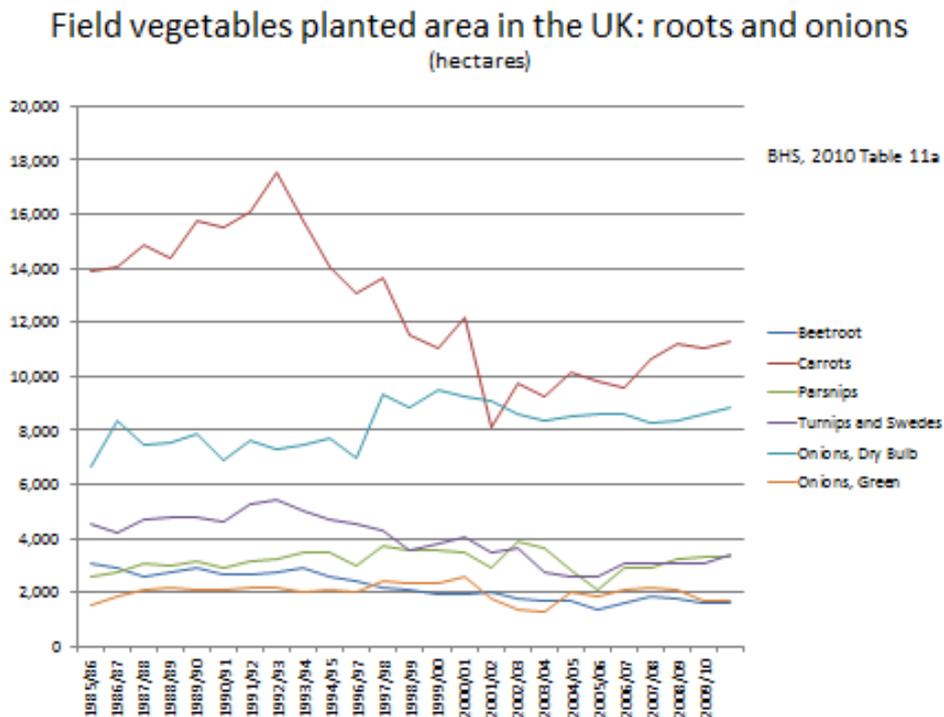
## Appendix 1

### Planted area in the UK: All fruit and Vegetables



Prior to 2002 area planted had declined by a third. Since 2002 the overall area planted for fruit and vegetables has stabilised.

## Appendix 2



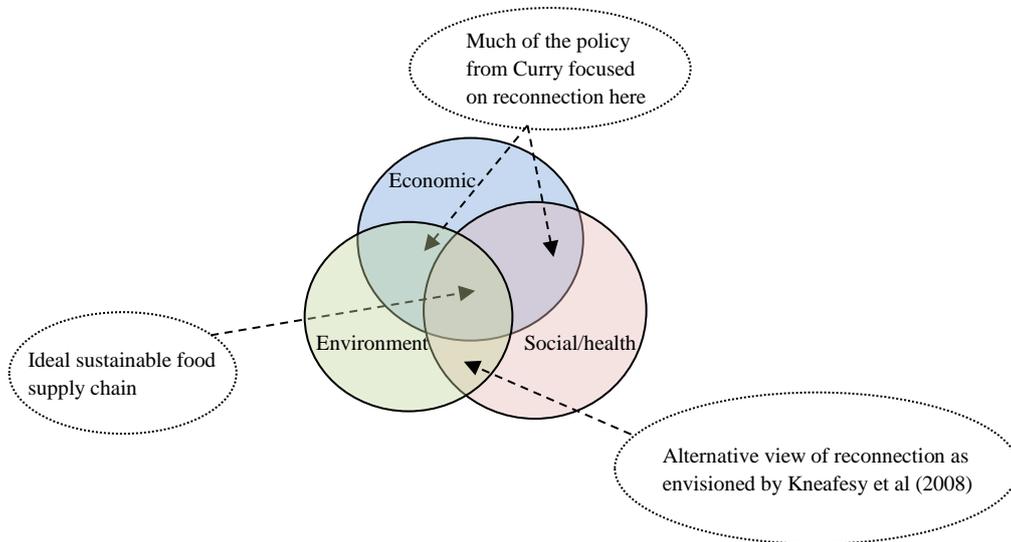
Carrots are an important crop for the UK. Although planted area for carrots declined for a decade since the early 1990s, there has been a recovery since the early part of the new millennium. Onions too have performed relatively well, these two crops account for approximately 2/3 of field vegetables in terms of planted area.

### Appendix 3

|   | <b>Curry perspective on reconnection</b>  | <b>Kneafsey et al perspective on reconnection</b>   |
|---|---|---|
| <b>Underlying causes of disconnection</b> | Disconnection caused by production subsidies  | Disconnection caused by a long supply chain   |
| <b>Aims for reconnection</b>              | To create value<br>To appropriate a greater share of the value in the supply chain for producers                            | To reduce inequalities in access to healthy food<br>To address food-related anxiety               |
| <b>Emphasis</b>                           | Privileges the economic and environmental aspects of sustainability<br>Constructs environmental protection as a public good | Privileges the health and environmental aspects of sustainability<br>Food as a source of pleasure |
| <b>Ethical orientation</b>                | Self interest   | Care for others   |
| <b>Solutions</b>                          | Within the existing competition state paradigm  | Alternative to the existing competition state paradigm  |

## Appendix 4

*A Curry view of reconnection compared to Kneafsey et al's view of reconnection within a framework of sustainability*



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