

FRESH LOCAL PRODUCE FOR SCHOOLS

Supply Chain Feasibility Study
Final Report January 2019

Prepared By:

per Consulting
PLANNING ECONOMICS REGENERATION

Aled Rhys Jones

BSc(Hons) MRICS FRAV NSch

Chartered Surveyor • Agricultural Valuer • Rural Consultant

creative 
RURAL COMMUNITIES

VALE of GLAMORGAN

BRO MORGANNWG



per Consulting
PLANNING ECONOMICS REGENERATION

Contents

<i>Executive Summary</i>	(i)
1. Introduction	1
2. Study Background	2
3. Understanding Local Produce	3
4. Consultation & Engagement	8
5. Issues & Opportunities	13
6. Conclusions & Recommendations	15

Appendices

- 1. Stakeholder Consultees**
- 2. Reference Case Studies**
- 3. Cowbridge Food Collective Producers**

BACKGROUND & CONTEXT

This report has been prepared by *per Consulting*, on behalf of the Vale of Glamorgan Council, to examine the opportunities to strengthen the local supply chain for fresh produce into school meals across the County.

An extensive programme of consultation and engagement has been completed to inform the study findings and conclusions. Over 60 individual conversations have been held with a range of local, regional and national stakeholders, farmers and food producers

KEY FINDINGS

It is not considered feasible to source all the required fresh produce from local supply chains. There is very little fruit produced in Wales and limited supply of salad crops. The only mass producer of fresh vegetables identified is in Pembrokeshire which could be supplemented by some local produce.

The Vale of Glamorgan and neighbouring areas are strong meat producers with a focus on red meat (beef and lamb). Future nutritional concerns for school meals may mean less demand for red meat.

Most local production is destined for supermarkets. One option could be to intervene in the supply chain process through direct agreements with farmers; either whole-carcass or just lower-price cuts. This could overcome the price sensitivity but would need to be done on a pre-agreed volume basis.

Alternatively, more emphasis on the traceability of local or Welsh produce could be introduced into future wholesale provider contracts.

School kitchens are not currently equipped to receive unwashed vegetables which will create problems for direct deliveries from local producers. There are also no potato peeling facilities in schools; favouring the wholesale traders who can manage this effectively at scale.

Further consideration needs to be given whether to invest in a centralised washing and peeling facility to enable local producers to deliver to a single destination rather than across the Vale.

None of the immediately local producers are geared up for large scale distribution of produce. Some may be able to make some direct deliveries to schools with further investment which would be dependent on contract agreement. Others would be restricted to a smaller range of local schools.

All producers contacted were encouraged by the opportunity to raise awareness of local produce and help educate school children about the journey from farm to plate. However, they were also very concerned about their ability to meet a desired price-point for school meals. Local producers are both small-scale and seeking higher value/quality price differential as a result.

Whilst interested in working with schools, local producers are more likely to respond to individual negotiations than a public tender process. Indeed, most farmers are open to exploring new market opportunities and could potentially gear-up to change production in response to the requirements for schools if there is clarity on volume and price agreement.

CONCLUSIONS

A mixed approach to food supply is considered to be most appropriate in the future. Some local produce can be sourced through negotiation but will never fully replace the Wholesale supply chain.

New wholesale contracts should be tendered during 2019 but could include greater prominence of Welsh produce and structured on non-exclusive basis to allow for some direct local produce as well.

Early negotiations with local producers should commence over the next couple of months to inform the context for the wholesale tender contracts. Meanwhile opportunities to trial available produce working with kitchen staff and suppliers should be explored including potential for special catering events such as the launch of the proposed new catering company for the Vale, St David's Day event for Parents and School Governors and/or after school catering club.

1. Introduction

This report has been commissioned by the Vale of Glamorgan Council to examine the opportunities to strengthen the local supply chain for fresh produce into school meals across the County.

The study has been conducted by *per* Consulting, a rural economic development consultancy based in Llantwit Major working in association with **Aled Rhys Jones** a freelance rural business consultant.

The project has been managed by representatives from the Council's Catering department in partnership with officers from Creative Rural Communities, the Council's rural regeneration initiative with funding from the European LEADER programme for Rural Wales.

The study builds on the consultant team's extensive recent engagement with the local farming community to consider the continued need for a livestock market in the area which has been widened to include the full range of fresh local produce and suppliers. Over 60 individual conversations have been held with farmers, producers, farming unions, rural organisations and local business. The open and informative engagement process has ensured robust coverage of all the key stakeholders to inform the report findings and recommendations on the way forward.

The rest of this report is structured as follows:

Section 2 – provides further Background to the study and the client's key Aims & Objectives.

Section 3 – presents an overview of available local food producers and emerging trends.

Section 4 – reviews the findings from the extensive discussions with local stakeholders, farmers and other food producers in the area, summarising the key themes and messages.

Sections 5 – reflects on the key issues and opportunities for achieving the client objectives.

Section 6 – draws together the report findings and sets out the overall Conclusions & Recommendations on the way forward.

Further details of the those consulted through the study are set out in Appendix 1. Examples of local producers are also profiled throughout the report, together with contact details which are either publicly available or included by prior agreement. Some examples of similar school catering organisations are showcased in Appendix 2 for information – whilst some of these reference local food supply chains, their primary motivation was towards freshly cooked school meals, something the Vale of Glamorgan already maintains.

2. Study Background

The Council's Catering department wish to exploit the services the Vale of Glamorgan area has to offer. It wants to be able to use local fresh produce within its school kitchens and incorporate them into school menus. The service covers some 46 primary schools and 5 secondary schools across the Vale providing around 1.3 million school meals each year. All meals are prepared freshly in kitchens on each site, paying particular attention to nutritional value and including fresh vegetables and fruit every day. Menus typically change twice a year (Easter and October) and must meet the Healthy Eating in Schools Nutritional Standards (2013). These national standards are likely to be reviewed in the near future and expected to increase the requirement for fresh fruit and vegetables and potentially encourage less use of red meat.

The catering department is intending to form an arms-length service company later in 2019 which will manage all school meal services and provide meals to Council run Care Homes. They will also be able to trade independently of the Council to explore wider hospitality markets in the local area. This will potentially increase the demand for fresh produce (with perhaps less price sensitivity) and stimulate further local growth opportunities.

Currently, fresh food is provided through three wholesale contracts with Castell Howell, Bishops Fruit and Brakes. Each school has a monthly supplies list and orders direct from the wholesaler according to their individual needs with deliveries being made directly, once or twice a week. The existing wholesale contracts will continue to run until December 2019 and the new catering service will need to determine the way forward and the potential to enhance the local supply to inform any future contract tender. As an independent trading company, they will not necessarily be tied to the normal public sector tendering procedures, although will still wish to be able to demonstrate value for money in contract agreements.

The quality and nutritional value of school meals is of primary importance to the Council and the new Catering Company. The fundamental ethos will always be to prepare meals fresh, from scratch on each site. If this can be augmented by using local produce as well and integrate stronger awareness of education and farming, then so much better for all involved.

2.1 Study Aims & Objectives

The primary aim of the study, therefore, is to identify and explore opportunities to supply schools and wider hospitality within the Vale with produce grown and reared in the Vale or within the local area. Initially, the definition of "local" produce includes:

- a) Vale of Glamorgan
- b) Neighbouring District Authorities – Bridgend, Rhondda Cynon Taff, Cardiff.
- c) Within a 75-mile radius.

As the 75-mile radius potentially could exclude produce from Pembrokeshire (for example Haverfordwest is approximately 105 miles from Barry) it is recommended that the third tier be modified to any other Welsh produce. Our research, however, has focused on the south wales area given the more difficult logistics of delivering produce regularly from North Wales – unless through established wholesale operators.

In identifying potential suppliers, the client also requires the study to:

- Investigate the capacity of farms and producers to supply schools with produce.
- Investigate the logistics of the distribution of produce to schools.
- Consider any legislative requirements that could impact upon the local supply chain.

Depending on the outcome of the research, further advice is also required to inform the way forward and develop stronger linkages with food producers.

3. Understanding Local Produce

3.1 Context of Agriculture in the Vale and Wider Area

The Vale of Glamorgan is renowned for its agricultural production having some of the best farmland in Wales. It has a diverse range of farming types from livestock to arable with some limited horticulture.

However, as with many other parts of Wales and the UK, farming has been under pressure, which has led to fewer but larger agricultural units and a decline in the number of people employed on the land. There has also been an increase in part-time farming with many businesses having diversified into tourism-related and other activities.

Whilst the larger farms have become commercially focussed, “commodity” producers, producing at volume, there are many examples of smaller farmers who have diversified to add value and are targeting niche/higher value markets. Those who have added value to their produce have done with the intention of shortening the conventional supply chain and achieving a higher proportion of the end retail price. With some resistance to conventional supply chains based on long distance trade and movement between processing operations, some farmers have decided to bypass intermediaries by selling direct to consumers. Examples include the growth in farm shops, resurgence in farmers’ markets, online sales and new initiatives such as the successful local producer network - Cowbridge Food Collective.

There is no reliable data available to confirm the split between conventional commercial sales and direct to consumer sales from individual farms. However, the vast majority of farming business follow the conventional approach with increasing numbers of contracts being entered into between the producer and processors or major retailers.

Local Producers – Adding Value

PWLLYWRACH FARM – COLWINSTON

A family run farm producing high quality Welsh angus beef and welsh lamb on 800 acres of grassland in Colwinston, Vale of Glamorgan. As well as direct trade with supermarkets, fresh and frozen meat cuts and joints are available direct and through the Cowbridge farmers market and Food Collective to order.

Telephone: Myfanwy Edwards - 01446 771033

Email: myf.edwards@googlemail.com

Web Site: <https://www.sagroup.global>

SLADE FARM ORGANICS

Situated at St Brides Major in the Vale of Glamorgan, Slade Farm produce award winning pork, lamb, beef and mutton with a focus on sustainable, organic produce and the highest animal-welfare. As well as trading direct with major supermarkets including Waitrose, produce is available at the Farm Shop and on-line with monthly meat boxes delivered direct to local households. A new venture has also started producing high quality organic vegetables with veg-box orders complementing the local meat deliveries. Full range of fresh meat cuts are available as well as frozen mince, sausages and locally produced burgers.

Telephone: Graeme Wilson - 01656 880799

Email: info@sladefarmorganics.com

Web Site: <https://www.sladefarmorganics.com>

3.2 Dairy Produce

According to data published by AHDB Dairy, there are 1,695 dairy producers in Wales, of which there are 144 in South Wales. Data is only collected on a regional level and the South Wales region incorporates the old counties of Gwent, South Glamorgan, Mid Glamorgan and West Glamorgan. Despite a fall in the number of dairy producers in Wales (from 1,924 in 2011 to 1,695 in 2018), the Welsh dairy herd is at its highest level in 15 years. The total number of dairy cows now stands at 254,300, according to the Welsh Government's Survey of Agriculture (June 2018).

The Welsh Dairy Benchmarking Survey undertaken by AHDB in 2017, revealed that a third of farms are less than 100 cows in herd size and are contributing 10 per cent of the milk production while, at the larger end, less than two per cent of herds are producing 13 per cent of the milk production. Therefore, on the whole, there are fewer dairy units across Wales, but those who remain are becoming larger with largest producing significant volumes of milk.

The majority of Welsh dairy farmers supply either the liquid milk or cheese markets. Whilst there is some dairy processing in Wales, mainly for cheese, with large sites operated by First Milk in Haverfordwest and Glanbia in North Wales, about half of the milk produced is processed in England for the liquid market. A review of the Welsh Dairy Industry commissioned by the Welsh Government in 2015 highlighted this as a strategic long-term risk.

The lack of processing facilities could be a limiting factor and is a cause of some concern within the sector. The same report mentioned that many farming stakeholders believed the Welsh Government could help the industry by increasing public procurement of local dairy products; although this isn't realistically a short-term decision.

There is a certainly a local supply base within the Vale and neighbouring counties for liquid milk, although its processing might not be done locally. One exception to that is Ty Tanglwyst Dairy located in Pyle which has made significant investment in developing their own processing facility on the farm.



Ty Tanglwyst is a traditional Welsh family dairy farm located in Pyle, near Bridgend. Managed by Rhys Lougher and his family, they rather uniquely process and bottle their own award-winning milk on the farm and distribute in the local area. They also produce cream and butter from their milk.

They currently supply fresh milk daily to all 58 schools across Bridgend County Borough Council and could potential cater for the western side of the Vale of Glamorgan (i.e. from Cowbridge & Llantwit Major).

Throughout the year they host several farm visits from local schools and community groups, providing an opportunity for people to meet the cows and see exactly how they run their family farm.

Contact: Rhys Lougher 07968 565881

Email: info@tytanglwystdairy.com

Web: <http://www.tytanglwystdairy.com>



Based in Cowbridge, specialist award-winning Ice Cream makers Fabras, use the milk from Ty Tanglwyst to produce a wide range of fresh ice creams. Selling direct to consumers, at events and their own ice cream parlour in the town centre they have scope to expand to meet potential demand from local schools and catering services.

3.3 Local Meat Production

It is generally considered that there is a ready supply of locally reared beef and lamb, although there are insufficient quantities of pork or chicken produced locally or even in Wales at present.

According to the latest agricultural survey, Wales has a national flock of 9.8 million sheep and national herd of 1.1 million cattle, which represents an increase of 3.2% and 1.4% on 2015 respectively. An analysis of local sheep and cattle numbers within the Vale of Glamorgan and surrounding counties is shown in Figure 1 below.

Figure 1: Sheep numbers by region

Area	Total Sheep Numbers	% Change From 2006-16	Total Beef Cattle Numbers	% Change From 2006-16
Vale of Glamorgan	62,700	+10%	15,100	-13%
Bridgend	68,300	+4%	5,400	-18%
RCT South	63,700	-11%	4,600	-4%
Neath	80,300	-17%	5,500	-35%
Swansea	86,700	+4%	12,700	-9%

Source: Welsh Government: Agricultural small area statistics, 2017

Since 2006, cattle numbers have declined across all regions whereas sheep numbers show a more mixed picture, although the total sheep within the Vale of Glamorgan has increased by 10% from 2006 to 2016. This contrasts somewhat with expectations post BREXIT, depending on whether a trade deal is finalised with the EU. Generally, the UK exports the majority of sheep/lamb produce as the UK's consumption declines, whilst consumers rely on imported beef to meet demand. This could lead to a substantial change in production (and price challenge) going forward.

SWANBRIDGE PORKERS

High quality, free-range fresh pork joints, bacon and sausages produced by well-known smallholder and fresh produce advocate Helen Joy from her site in the Vale of Glamorgan.
Email: helen_joy@live.co.uk

PICKETSON POULTRY

Established by Martyn David in 2015, a free-range poultry farm rearing chicken, duck, geese and turkey. With most feedstock grown on the farm and all birds processed on site the operators can minimise food miles.
Email: picketsonpoultry@btinternet.com

Douglas Willis

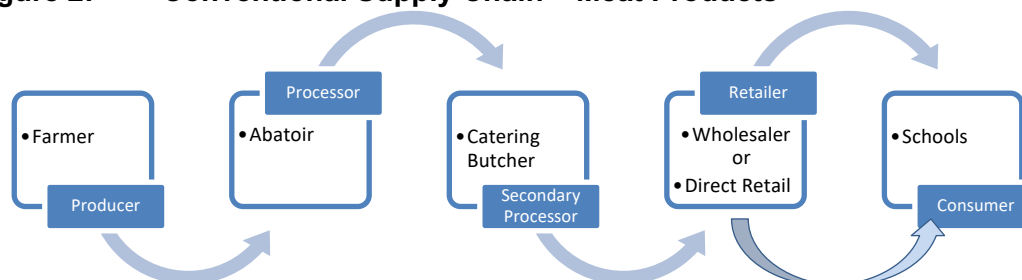
Purveyors of Fine Foods Since 1940

Douglas Willis is a family run farming, butchery, retail and wholesale suppliers based in Cwmbran. A long-established business they supply wide range of locally sourced beef, lamb, pork and poultry with wholesale distribution to retail and catering outlets throughout South Wales. They are registered on the Welsh National Procurement Supply Framework. All meat supplies can be traced to either the family or other identified farm with the company purchasing through livestock sales and through direct agreements at the farm gate. Processing is done at the main site in Cwmbran which is fully BRC and Red Tractor accredited.
Contact: helen@douglaswillis.co.uk
Tel: 01633 877777

3.4 Conventional Supply Chains

Food supply chains can often be complex. Food moves from the producer to the consumer via production, processing, distribution and retailing. In an attempt to outline the supply chain for both meat products and fruit and vegetables, a simple set of diagrams are shown below. These examples are based on the conventional wholesaler approach which currently supply most schools in the Vale.

Figure 2: Conventional Supply Chain – Meat Products



There could be potential to intervene in the supply chain by dealing directly with the farmer/producer striking an agreed “dead-weight” price at the farm gate for an agreed volume of produce. This could make lamb produce, in particular, more affordable for school meals.

However, the Catering Company would have responsibility for subsequent processing of the animals and either onward sale or alternative use of the rest of the animal carcass. Equally, the Catering Company could intervene at other points of the supply chain identifying specific cuts/selections required directly from the abattoir/cutting plants – potentially in association with the farmer - ensuring clearer traceability of meat provenance.

In exploring this potential, stronger local communication with producers is required highlighting the direct market opportunity to supply local schools. This could be facilitated by Farming Connect’s established farm engagement programmes such as Agora and Cywain. Indeed, farmers are very versatile to adapt and respond to new market opportunities and through careful engagement new opportunities could emerge either individually or through informal co-operative arrangements engaging also with catering butchery operations to assist with carcass balance across different market outlets.

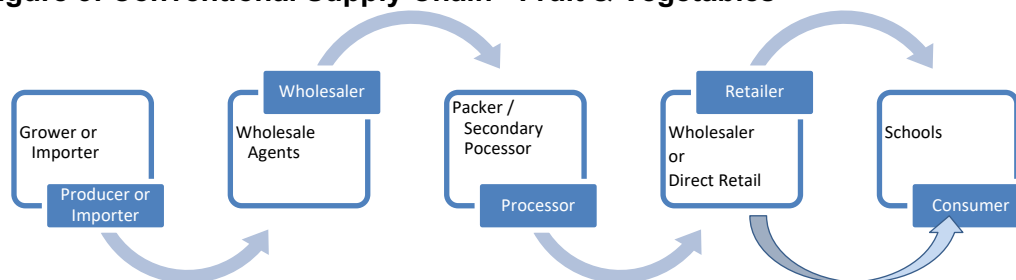
Alternatively, the promotion of local meat could be achieved working with existing Wholesale providers such as Castell Howell’s Celtic Pride brand to purchase lower value cuts from identified welsh farms.



The Penllyn Estate Farm outside Cowbridge propose to develop a new Farm Shop, continuing the extensive farm diversification at the site. The shop will include a full meat cutting and butchery facility to process their own farm produce for sale. Whilst the best meat cuts are likely to be sold through the farm shop, the potential exists to provide other meat supplies to local schools.

Contact: Damien Burnell Estate Manager
Email: damien@penllynestatefarm.co.uk

Figure 3: Conventional Supply Chain - Fruit & Vegetables



The real challenge for the Catering Company dealing directly with the grower/producer of horticultural produce will be revolve around distribution/access and the level of washing/prep required before delivery direct to the school kitchen.

Elwyn's Produce

Elwyn Thomas is a newly established producer growing fresh local vegetables outside Cowbridge. Initially farming a 1ha site, Elwyn has potential (and significant ambition) to expand. Avoiding artificial fertilisers and pesticides, Elwyn is committed to producing high quality vegetables in a sustainable manner. Production is, of course, highly seasonal but encompasses salads (lettuce, cucumber and tomatoes); potatoes, onions, leeks, carrots, cabbage, cauliflower, spinach, beans etc. Delivery direct to schools is feasible, subject to pre-ordering arrangements. Produce is not, however, fully pre-washed but will be freshly picked from the ground on the day of delivery.

Contact: elwynsproduce@gmail.com

3.3 Wholesale suppliers' advantages

The wholesaler approach to distributing food products, therefore, has many advantages. As the wholesalers deal in volume, they are often more competitive on price and have access to established supply network of approved and accredited suppliers. They will also have a significant amount of storage space and reliable logistics which means they can move products quickly and cost effectively.



Puffin Produce is a Pembrokeshire based farmers' co-operative supplying a variety of award-winning potatoes and seasonal fresh vegetables through both retail and wholesale businesses under the Blas y Tir brand and retailer "own-labels".

Produce is sorted, washed and packaged for distribution from the Withybush headquarters outside Haverfordwest in Pembrokeshire with full traceability and BRC AA+ accreditation.

Telephone: 01437 766716

Email: info@puffinproduce.com

Web: <http://www.puffinproduce.com>



S&A Produce is an international, grower, packer, importer and exporter of fresh soft fruit and asparagus. Headquartered in Hereford, with major strawberry production at Llandow, Vale of Glamorgan they produce around 200 tonnes per annum. With investment in innovative photonic systems, the strawberry season has been extended through most of the year.

Whilst produced locally, the strawberries are transported to Hereford for packing & shipping.

Telephone: 01432 880235

Web Site: <https://www.sagroup.global>

4. Consultation & Engagement

A primary objective of the feasibility study was to reach out to local farmers, producers and other rural stakeholders to gain maximum insight and understanding of the local potential to establish a stronger local supply chain for fresh produce into school meals. The original proposal included suggestion for an on-line survey. However, as the study mobilised it was clear more direct engagement was required to explore the potential opportunities which wouldn't have been so clearly addressed through a survey. The project team, therefore, extended the individual contacts and achieved strong coverage through personal engagement and dialogue with a wide range of organisations and individual producers as detailed in Appendix 1. The key messages arising from the consultation are set out below.

4.1 Stakeholders Insights – Key Themes

Over 60 individual conversations have been held with a range of local, regional and national stakeholders and food producers. These included farming unions, farm extension service providers, business support programmes for food and drink producers, food wholesalers, levy boards, national procurement services, health and environmental organisations as well as farmers, small-holders, local fresh produce retailers and larger food processors.

In reaching out to local producers we have largely relied on our own local knowledge and networking with farmers and other producers/stakeholders. Food Innovation Wales does maintain a [Welsh Food and Drink Producers Directory](#) with a reported 430 companies included. Within the Vale of Glamorgan, the majority of companies listed are more geared to existing retail outlets and refined food processing rather than primary producers and growers. Contact was also made with members of the Vale Smallholders Network and the [Cowbridge Food Collective](#) which brings a range of local food producers together through a virtual, on-line, farmers market. Further details of members of the Food Collective are set out in the Appendix.

4.1.1 EU Procurement Rules – Challenge and Opportunity

Some stakeholders highlighted the challenges of public procurement under existing EU rules, which prohibit discrimination on the basis of a producers/suppliers' location. However, the UK's departure from the EU is seen as a potential opportunity to favour locally grown, reared or produced food within public tendering processes. This will depend on the exact terms of the withdrawal agreement and the Welsh Government is currently reviewing its National Procurement Service in order to maximise the value of the £6bn annual procurement expenditure across Wales as the UK prepares to leave the EU.

Provided the new Catering Company is clearly separated from local government funding it will not necessarily be bound by the same public procurement rules and will potentially have more flexibility to negotiate directly with some suppliers. Indeed, the comments from existing producers highlight the concerns over attempting to respond to complicated public sector procurement tenders – especially if structured towards full product range which they cannot deliver. Opportunities to increase fresh local produce will need to be more clearly defined in future contract proposals with local producers more likely to respond to individual negotiations or very focussed, mini-tender proposals.

4.1.2 Future Proofing Food and Farming Businesses Post-Brexit

Brexit presents the biggest change to agricultural support and trade in a generation. There is understandable concern by many stakeholders on its potential impact on food and farming businesses, particularly given the level of existing trade with Europe. However, farmers are being urged to future proof their businesses by reducing cost, where possible, and securing new markets for their produce.

Many stakeholders believe that opportunities to supply food to schools and other public bodies would grow domestic demand for their produce and help future proof the sector. It is not viewed as an industry solution but making the most of general public and local procurement could have a positive impact, particularly as the Vale of Glamorgan serves approximately 1.3 million school meals each year.

Indeed, most of the producers contacted were keen to discuss the opportunity further but will need to better understand the likely volumes of produce required to be able to forward plan production. This also needs to be balanced against the impact of the school term structure where alternative market outlets will need to be identified – unless the expansion of other hospitality by the new Catering Company is able to smooth-out the supply chain demand.

4.1.3 Adding Value

In light of the uncertainties surrounding Brexit, some farmers and producers are seeking ways to diversify and add value to their products. The disadvantage of the conventional supply chain is that farmers and primary food producers are 'price-takers' and not 'price-makers'. Adding value and selling direct to consumer enables producers to have more control over pricing.

According to many stakeholders, there is a growing number of farmers interested in diversification and direct sales. With the Basic Payment Scheme being phased out after 2020 and uncertainties over future trade, farmers are looking into other options. In particular, the next generation of farmers and growers are very proactive and enthusiastic to create new markets. The Welsh Government's Young People in Agriculture grant, for example, has helped many to invest in some processing facilities and capital investment on farms.

Further publicity of the ambition to increase local produce into school meals, and more direct engagement with existing and potentially new producers would help build confidence in meeting the needs of this emerging market. Producers will need to have clearer understanding and certainty on volume/price relationships in order to forward plan production timetables and will also need to factor in the impact of the school term period potentially finding alternative markets during the summer months.

However, those local producers who have decided to add value and sell direct to consumers have done so in anticipation of targeting higher value/niche markets. Therefore, their produce might not be available at a price which satisfies the tight budgetary constraints of schools.

Nevertheless, when it comes to meat sales, one of the biggest challenges for farmers is achieving carcass balance and there might be an opportunity to supply the lower value cuts such as minced and diced beef, for example, to schools whilst the premium cuts are sold elsewhere at a higher margin. Often it is the lower value cuts which can be difficult for farmers to find a regular outlet for. Therefore, greater collaboration between schools and producers can be beneficial to both parties.

The price-constraint for the production of school meals is of particular concern to all local producers – and with limited scope for future growth. Achievement of the required price-point will, however, depend on volume and certainty of take-up – especially if producers have re-gearred their processes to meet the needs of local schools. Whilst many fresh food producers service both the local retail and commercial catering trades the price difference can be around 60-70%; with the catering operations recognising (and paying) for better quality local produce.

4.1.4 Combining Local Food with Education

Recognising that local food may not always be competitive on price, the approach favoured by many industry stakeholders was to offer “added value” to schools by supporting their educational provision. Examples were given where farming unions would organise and host farm visits. They would work closely with schools to highlight the areas on the curriculum which link with food and farming and offer resources to assist teachers. Meat Promotion Wales would also run similar initiatives and have Development Chefs who can visit schools and show children the different cuts of meat and cooking methods. In addition, as a red meat levy body, they were keen to highlight the nutritional benefit of red meat and the lack of red meat in children’s diet can cause iron deficiencies etc.

Therefore, harnessing the educational opportunity is seen a key benefit to a local supply chain initiative. Indeed, many of the producers contacted already manage local education visits and have established strong local links with schools and other community organisations.



Cows on Tour

Cows on Tour consist of a group of enthusiastic NFU Cymru members visiting local schools with live animals helping children understand where their food comes from and the full journey from farm to plate.

Supported by Red Tractor Assurance, the team often split children into groups to learn about how meat, crops, dairy, eggs, fruit and vegetables are produced.

Active local members include Abi Reader who runs a mixed dairy, livestock and arable farm in Wenvoe.

4.1.5 Local Supply of Meat

As highlighted earlier, there is generally a ready supply of locally reared beef and lamb, but insufficient quantities of pork or chicken produced locally or even in Wales at present (other than higher quality and value produce). Whilst there are cattle and sheep being finished in the Vale of Glamorgan, there are no processing facilities locally and produce has to travel outside the county to the nearest abattoir. The closest would be Maddock Kembrey Meats in Maesteg, which is a relatively small family-run operation. Larger abattoirs and processing facilities include St Merryns in Merthyr Tydfil.

It was also acknowledged by one of the wholesalers, Castell Howell Foods, that possibly some beef and lamb which is currently supplied to Vale schools would fall within their definition of local but might not be formalised and documented. Therefore, there appears to be capacity in the local supply base for beef and lamb, provided they can be sourced within budget.

One stakeholder, however, predicted a shift towards more plant-based protein, possibly reducing the amount of meat in school meals. The challenge is to match the needs of a healthy diet with what can be produced locally and within the expected price point.

4.1.6 Lack of Locally Grown Fruit and Vegetables

There is very little fruit or vegetables grown commercially within the Vale of Glamorgan. Welsh Government figures show only 1% of agricultural holdings are classified as horticulture. With the emergence of multiple retailers and their dominance in the fresh fruit and vegetable market, many traditional markets have disappeared which has led to the decline in local horticultural production.

Whilst there is scope to increase production, high value crops can require significant capital investment and may involve a two/three-year lead in time before producing a saleable crop. Growers would therefore need long term contracts to be persuaded to invest in a new crop.

Public procurement offers market opportunities for the horticultural industry as it is estimated that only 3% of the fruit and vegetables consumed in Wales is grown in the country. There remain challenges around skills and casual labour but wholesalers would source more locally if they could identify producers who were growing sufficient volumes and who were food safety accredited.

4.1.7 Food Safety and Accreditation

All wholesalers highlighted the importance of ensuring food safety. Each of their suppliers are required to meet rigorous food safety regulation and accreditation through bodies such as SALSA (Safe and Local Supplier Approval), BRC (British Retail Consortium) and STS Food Safety Consultancy.

For smaller local food producers, the cost and reporting burden of these accreditation bodies would be prohibitive given their limited turnover of sales. Only the larger, more commercial, producers would be able to justify the added expenditure. Therefore, without the necessary accreditation, some local food producers would not be able to supply through the wholesalers, who are themselves bound contractually to satisfy the food safety requirements of schools and would not risk non-compliance.

Organisations such as Agora and Cywain are trying to work with local food producers to help them become more commercial and are encouraging full accreditation to help protect and grow businesses. As potential producers are identified from the local network, the Vale Council could help sign-post producers towards the available assistance to help them gain appropriate accreditation.

4.1.8 Distribution

High transportation costs and complex delivery requirements can be a disincentive to local suppliers. The wholesalers supply network and extensive distribution capacity can offer transport efficiencies resulting in fewer individual deliveries to each school. Many stakeholders felt that there are advantages in using the existing distribution capacity of wholesalers and more could be done to encourage them to establish a local supply base for certain foods.

Many producers contacted acknowledged the challenge of making deliveries to each school directly and the possibility of constrained times for delivery (avoiding arrival times etc.). As a result, some producers commented they may only be able to service a smaller cluster of local schools and not the whole of the Vale.

4.1.9 Theme Days & Menu Design

One stakeholder commented that “whilst it is romantic to have local food at schools, the reality is that it’s driven by cost”. Pressures on budgets mean that schools must meet the nutritional requirements laid out by the Welsh Government without overspending on ingredients. The solution might be to introduce new locally sourced meals on special “themed days” or a “local food day” perhaps once a week? Another idea shared was using technology such as ParentPay to give parents the option of meals from locally produced food, potentially at a different price point? Another stakeholder believed that school menus should be built around the local fresh produce available in the area and not the other way around.

This is something worth considering further in the context of developing local pilot programmes and could either be a way to build more local engagement with producers or to create a balanced supply-chain alongside the more traditional (and effective) wholesaler network.

4.1.10 Collaboration and Awareness Raising

Most stakeholders agreed that there was a need to raise awareness of local food sourcing in schools. Improved communication along the entire supply chain would also help producers identify market opportunities and help satisfy gaps in the local supply base.

Furthermore, the farming unions believed that local producers who do not supply the public sector are unaware of how the procurement process works. Whilst supplying schools could be a valuable stable business for producers, there seemed to be some uncertainty about how to get contracts or on approved supplier lists. Better communication and support would improve local producers' understanding of public procurement and contract opportunities.

The Vale Council could work with organisations such as Farming Unions and Farming Connect to help raise awareness and provide support in the tender process.



Talgarth Bakery has been producing fresh bread, cakes and savoury products since 1904. Situated in Maesteg, produce is readily available through all major wholesale providers.

Telephone: 01656 733185

Email: enquiries@talgarthbakery.co.uk

Web: www.talgarthbakery.co.uk



Strawberry Fields is a family run, independent greengrocer based in Cowbridge serving both the retail and hospitality trades. They currently provide fresh fruit boxes to several local schools and operate an on-line ordering service for a wide range of fresh produce.

Telephone: 01446 772675

Email: strawberryfieldscowbridge.co.uk

Web: www.strawberryfieldscowbridge.co.uk

5. Issues & Opportunities

5.1 Key Issues

Reflecting on the consultation process the following key issues arise from the investigations:

Availability of produce

It is not feasible to source all the required fresh produce from local supply chains. There is very little fruit produced in Wales and limited supply of salad crops. The only mass producer of fresh vegetables identified is in Pembrokeshire which could be supplemented by some local produce from within the Vale of Glamorgan.

The Vale of Glamorgan and neighbouring areas are strong meat producers with a particular focus on red meat – especially beef and lamb. Continued nutritional concerns are expected to place less reliance on red meat in the future.

Most local production is destined for supermarkets – either through direct contracts or via wholesaler/abattoir sales through livestock markets. The Catering Company could intervene in the supply chain process through direct agreements with farmers and either take a whole-carcass approach or take lower-price cuts by agreement. This could help overcome the price sensitivity but would need to be done on a pre-agreed volume basis.

Alternatively, more emphasis on the traceability of local or Welsh produce could be introduced into future wholesale provider contracts.

Washing & Preparation

School kitchens are not currently equipped to receive unwashed vegetables which will create problems for direct deliveries from local producers. There are also no potato peeling facilities in schools; favouring the wholesale traders who can manage this effectively at scale.

The opportunity could exist for the new Catering Company to invest in a centralised washing and peeling facility themselves – helping local producers to deliver to a single destination rather than across the Vale. The cost-benefit of such an investment would be worthy of further investigation.

Distribution Logistics

None of the immediately local producers are geared up for large scale distribution of produce. Some may be able to make some direct deliveries to schools with further investment which would be dependent on contract agreement. Others would be restricted to a smaller range of local schools in close proximity to their base.

Price Challenge

Whilst all producers contacted were encouraged by the opportunity to raise awareness of local produce and help educate school children about the journey from farm to plate, they were also very concerned about their ability to meet a desired price-point for school meals. Local producers are both small-scale and seeking higher value/quality price differential as a result.

Term-Time Market

Whilst volume trade may be attractive for some producers, it is less easy to switch food production off during non-term times and producers will need to consider the flexibility of alternative market outlets.

5.2 Future Opportunities

As a result of investigations, the **potential opportunities** for the way forward include:

1) Renew Wholesale Contracts – based on price

Whilst some fresh local produce can be identified it cannot fully replace wholesale supplies and there is likely to be some pressure on price. The timetable to renew supply contracts may also be constrained and the price sensitivity may be too great for the catering company to resolve immediately. The simplest solution could, therefore, be to re-tender wholesale contracts with price point rather than local produce being a key driver. This would not, however, meet the ambitions of the new catering company or the objectives of this study.

2) New Wholesale Contracts – local/welsh produce specified

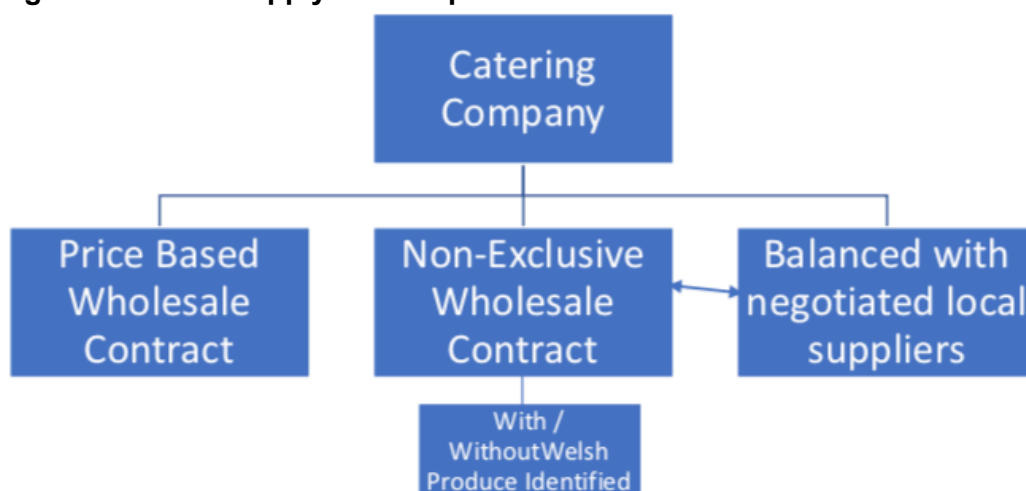
Alternatively, future wholesale contracts could encourage identification of local and/or wider welsh produce inclusion – and either include specific target proportions or monitor this over time. This may have a price impact but can be tested further through procurement negotiations. The Wales National Procurement Service is already embarking on clearer identification of welsh produce through its framework contracts. Major wholesalers are also responding positively, such as Castell Howell's Celtic Pride branding.

3) A Balanced Arrangement

Subject to further negotiation, it may be feasible to establish a mixed arrangement with some produce sourced directly from local suppliers and the balance from wholesaler contracts which would need to be agreed on non-exclusive basis. This could still include provision for Welsh produce to be identified through the wholesale supply chain.

Further negotiations will be necessary with specific local producers to identify the potential scale and scope of supply and to resolve an agreed price point that works for both parties. It is unlikely that local suppliers will tender for a published open contract given the complexity of the tender process and uncertainty over pricing and volume assumptions. Such conversations would need to take place early in the year and inform the detail of the wider wholesaler contract agreements.

Figure 4: Future Supply Chain Options



Given the realistic potential to source some fresh local produce, Option 3 is strongly recommended as the preferred way forward. Further discussions with local producers should continue through January-March 2019. This would allow the procurement process for a new wholesale contract to commence in May/June with the aim of completing new contracts in September 2019, allowing three months hand-over period before the existing contracts end.

6. Conclusions & Recommendations

The key findings and the recommended way forward, building on this study, are set out below.

6.1 Key Findings

The study has identified a range of fresh local produce that is available to meet some of the needs of school meals and other catering activity. Local produce, however, will not completely replace the wider network of suppliers available through major wholesale contracts.

Whilst local producers are interested in working with the school catering company, they are more likely to respond to individual negotiations than a public tender process given the uncertainty of such processes and individual time constraints. Indeed, most farmers are open to exploring new market opportunities and could potentially gear-up to change production in response to the requirements for schools if there is clarity on volume and price agreement.

Not all local producers can easily distribute to all schools across the Vale of Glamorgan. Some producers have indicated preference to deliver to small clusters of schools near to their location. Given the greater presence of food producers to the west of the district this may have implications for servicing schools in Penarth and Barry. Also, school kitchens do not have facilities for washing vegetables or peeling potatoes – which is a constraint for fresh produce suppliers. The new Catering Company could consider further investment in equipment and/or the potential for more centralised individual deliveries with the Catering Company redistributing to individual schools.

Local producers may also require assistance in attaining food safety accreditation. The Council should encourage them to explore potential support in this process from programmes including Farming Connect, Agora and Cywain.

Although it may be feasible to enter into new wholesale supply contracts with a greater emphasis given to identifying and sourcing local/welsh produce, the Catering Company is strongly recommended to pursue a mixed approach with some individually negotiated local supply contracts supported by wider wholesale supplies.

6.2 Way Forward

The existing wholesale contracts are due to end in December 2019. New contracts will, ideally, need to be in place by September to allow some flexibility and potential for transition to the new supply regime. The formal tender process should, therefore, commence from May/June 2019. This will allow the new Catering Company to undertake initial informal and then more formal negotiations with potential local suppliers over the period January to March to establish the local capacity and implications for wider wholesale supplier contracts.

The recommended next steps, therefore, are as follows:

1. Host initial informal discussions with local producers – explore individual constraints and opportunities.
2. Work with local producers to determine required volumes and pricing mechanism and identify potential management solutions to initial barriers.
3. Run a special event or events to trial local produce and involving kitchen staff. Events could include for example:

St Davids Day event for Parents & School Governors
Launch Event for the new Catering Company
Special education event and/or after school catering club.

Appendix 1 Stakeholders Consulted

1. Aled Davies, County Adviser for Glamorgan, NFU Cymru
2. Angharad Davies, Contracts Manager, Castell Howell Foods
3. Christopher Bishop, Director, WR Bishop
4. Edward Morgan, Group CSR & Training Manager, Castell Howell
5. Emma Santoro, Business Manager, Brakes
6. Elwen Roberts, Consumer Executive/ Market Development, Meat Promotion Wales
7. Hannah Wright, Development Officer for Gower and South East Valleys - Farming Connect
8. Hannah Caswell, Development Manager Food for Life Served Here, Soil Association
9. Ian Nutt, Head of Programmes Development, Food For Life, Soil Association
10. Katie Palmer, Programme Manager, Food Sense Wales
11. Paul Griffiths/Jessica Bearman National Procurement Service
12. Gareth Thomas, Food in Schools Co-ordinator WLGA
13. Matt Lewis, Director, Castell Howell Foods
14. Emma Santoro, Brakes Wholesale Foods
15. Douglas Willis, Fine Meat Butcher & Wholesale, Cwmbran
16. Nia Môn, Development Manager, Cywain
17. Rachel Saunders, Glamorgan County Executive Officer, FUW
18. Rhiannon Urquhart, Principal Health Promotion Specialist, Public Health Wales
19. Rolant Tomos, Project Manager, Agora
20. Russell Bishop, Director, WR Bishop
21. Stephanie James, Chief Executive School Food Company, Cheshire
22. Caroline Morgan, Chair - Local Food Links, West Dorset
23. Elwyn Thomas, Elwyn's Produce
24. Rhys Lougher, Ty Tanglwyst Dairy
25. Rhodri Davies, Rosedew Farm/Farmers Pantry Llantwit Major
26. Chloe Ford, Tynyaia Farm (Free range eggs), Llandow
27. Myfanwy Edwards, Welsh Angus Beef/Cowbridge Food Collective
28. Helen Joy, Swanbridge Porkers
29. The Vale Smallholders Network – Group presentation c20 present.
30. Strawberry Fields, Greengrocers Cowbridge

31. Edward Burt, Talgarth Bakery, Maesteg
32. Matthew Thomas, Puffin Produce, Pembrokeshire
33. Daniel Martin, Commercial Director S&A Fresh Produce (John Lloyd at Llandow)
34. Graeme Wilson, Slade Farm Organics, St Brides Major
35. Wern Fawr Farm, Ystradowen
36. Johnny Homphrey/Damien Burnell, Penllyn Estate, Llwynhelig Cowbridge
37. Michelle Evans, Fablas Ice Cream, Pennllyn Estate, Cowbridge
38. Penuchadre Farm, Wick Road St Brides Major (Caroline Morgan)
39. Nantyderi/Bordervale Ystradowen
40. Martyn David, Picketston Poultry

Appendix 2

Reference Case Studies

A general internet search identified a small number of school catering services promoting similar ambitions around fresh produce and local food supply. Examples of these are highlighted in the case studies below. In conversation with some of the operations, it is clear that the greater priority was to ensure school meals were freshly cooked, reversing previous arrangements for contracted chill-meals, something the Vale of Glamorgan already maintains. Some operators have also encouraged local produce but in a more general context working with mainstream wholesale providers.

Case Study – Local Food Links, Dorset

Local Food Links is a community owned social enterprise. Since 2007 they've been making freshly prepared, healthy school meals and supporting local businesses. They have four hub kitchens supplying more than 50 schools across Dorset. All meals are freshly prepared daily and delivered either hot or cook-chill, i.e. to be reheated on-site. They produce menus and meals and offer an online ordering system for schools and parents that reduces school meal administration. They work with schools to provide opportunities for parents to see and taste the meals they order for their children and can also provide staff training, if required, through their dedicated Schools Liaison Officers.



www.localfoodlinks.org.uk



Whole School Meals is a Community Interest Company established in 2005 by parents, governors and local business people to provide healthy meals to schools in East Kent. The primary driver was to produce fresh meals on-site with an ambition to encourage up to 50-60% of produce being locally grown in Kent. Main suppliers include:

- Q Catering for dried goods
- JC Rook & Sons, Butchers
- Salvarori Butchers in Whitstable
- PK Produce for Fruit & Veg

Case Study - Food For Life



Food for Life is a Soil Association initiative, which began life in 2003 and developed into an award-winning national programme to transform school food culture, with support from the Big Lottery Fund.

Food For Life runs a schools accreditation scheme with three categories – gold, silver and bronze. Each category has a set of standards based on food quality, provenance, production and animal welfare standards etc. Food For Life accredited schools serve 1.8 million meals per day, the vast majority of which are in England.

The inspection team verify schools' commitment to using honest, local, seasonal produce. This means that all meat served can be traced back to the farm and meets or exceeds UK animal welfare standards. All eggs are free range. All ingredients used in meals are free from additives, artificial trans fats and will never be genetically modified. A minimum 75% of meals are prepared fresh by trained chefs. In addition, the award recognises that menus are inclusive of cultural needs and dietary requirements, so every child's wishes are catered for.

Schools meeting the silver and gold standards will include organic ingredients on their menu. They reward caterers for utilising suppliers from the local region and from the UK, supporting the local economy. Their studies have shown a social return on investment of £3 for every £1 spent on Food for Life menus.

www.foodforlife.org.uk

Appendix 3

Cowbridge Food Collective Producers

The Cowbridge Cook, baker & caterer, Cowbridge
Billy's Bread, Llanblethian
Elwyn's Produce, vegetable grower Cowbridge
Artisan Kitchen, cakes and ready-meals, Colwinston
Pwllwyrach Farm, Lamb and Beef, Colwinston
Sloane Home, Brewer, chocolate confectioner and jam, Llandow
Picketson Poultry, Picketson St Athan
Tynycia Farm, Chicken farm and eggs, Llandow
Baked by Mel, traditional bara-brith, Llantwit Major
Vale Cider, Bonvilston
Breakfast&ME, granola producer, Pontyclun
Torgelly Farm Produce, high quality lamb, Llanharry
Bont Brew, craft beer Bridgend
Cowbridge Country Market, baker & preserves co-operative, Fairwater
The Welsh Cheese Company, Taffs Well
Field Bar, Distiller & Juice producer, Canton
Flapjack Fairy, Llandough
The Parsnipship, Ogmere Vale
Ty Tanglwyst Dairy, Pyle
The Artisan Bakery, Cardiff
Two Dogs Coffee Roasting Company, Treorchy
Coed-Y-Rhyd Farm, Quail Eggs, Abercynon
Drwytho, Olives & Oil producer, Aberdare
Mackerel Mal, Gorseinon
Ty Siriol Welsh Pork, Pontardulais