RNAA Norfolk Farming Systems Round Table 1: Thursday 24 April 2025

HOW DO WE OPTIMISE EFFICIENCY AND FINANCIAL RETURN ON FOOD PRODUCTION?

Meeting of Norfolk farmers, processors and food and crop researchers

Hosted by Royal Norfolk Agricultural Association at the Royal Norfolk Showground.

Chair: Poul Hovesen, President of RNAA

Summary

The group discussed how to foster improved financial return and economic efficiency in the food industry in Norfolk and East Anglia. Opportunities exist in increasing efficiency of production and energy use, in diversification and in vertical integration and potentially through the precision-breeding bill. Some opportunities exist in creating niche products considered more environmentally sustainable. The group identified high capital costs and resources needed for change and an increasingly challenging wider industry setting (markets, input costs, climate variability, new environmental requirements) as issues. Areas for action include a solid research agenda driven by farmers, demonstration and education around economically sustainable approaches that meet SFI/other environmental requirements, improved cooperation and collaboration and better data/data sharing.

1. Challenges for economic efficiency of farm production in Norfolk

- Increases in costs of labour, regulation/certification, fertiliser, energy and fuel are hitting businesses hard, in varying ways
- Supermarkets are controlling the market; imports are undercutting
- Cold storage for farm produce is a serious problem due to increased energy costs
- Ageing workforce in the sector; attracting and retaining innovative talent in farming is difficult
- Climate variability is causing yield reductions (and forcing processors to source non-locally)
- Some less productive land/crops are being 'lost' to Sustainable Farming Incentive initiatives
- Environmental pressure towards cutting N fertiliser reduces crop yield and protein content and quality needed for some crops
- Complexity of new government subsidies - One mentioned wanting to make their businesses economically sustainable without SFI or other incentives in order to reduce business risk given uncertainties and complications involved

2. Challenges for processors in Norfolk

- Accessing quality produce locally at right time in right quantity (and right price) (see issues above)
- Huge cost of processing equipment – capital needed to enter the industry and to improve existing facilities

- On environmental sustainability (Net Zero targets), Scope 1-related carbon emissions (directly produced emissions) can be very high; they want to work on this before looking at Scope 3 (indirect wider value-chain emissions)
- Serious issue of lower energy prices and better subsidy for processing equipment in EU – UK cold storage and processing facilities can't compete

3. How farmers and processors have responded to improve financial sustainability

- Efficiency focus – significant research and investment on energy efficiency, waste reduction, water use efficiency - (through process change/ intensification, technology, measurement). Digital and AI support can decrease energy use 30% and water use 20%
- Vertical integration of processes to recoup more of the value added and lower risk
- Reinvesting all surplus from business (if family-owned)
- Diversification on-site – or 'stacking'
- Processors will import to retain tonnage and quality demanded by retailers
- Direct retail to consumer; sometimes with significant interaction and demand-responsiveness (farm shops, farmers markets, wheat prices on website of flour millers)
- Working with research organisations (eg BBRO /sugar) for tailored solutions to improve efficiency
- Creating/marketing niche products with higher value – though once normalised this loses the additional profitability (eg. Red Tractor certification), and a new niche 'hoop' is created (e.g Scope 3)

4. Researchers' responses

- Need short, medium and long term research plan. Breeding still takes 20 years to get to market. We need to know WHAT farmers and processors will need in 10 and 20 years' time.
- We can breed more appropriate varieties. Some research must be international to be worth investment (e.g. wheat)
- We can bring/tailor approaches technologies from future UK climate zones elsewhere globally

5. Taking on environmental approaches

- Uncertainty over Regenerative Agriculture:
    - What is 'regenerative agriculture' in practice for our Norfolk crops?
    - Is this just for the 5% niche market / consumer demand fad? Or can it be economically feasible for mainstream production, and under what circumstances?
    - More familiarity/confidence with what Sustainable Agriculture practices
- Potential cost of implementation is a concern, especially if then undercut by imports not meeting these criteria
- Complexity of new government subsidies - One mentioned wanting to make their businesses economically sustainable without SFI or other incentives in order to reduce business risk given uncertainties and complications involved

- Sustainability measurements are currently not comparable/compatible between crops / processes or internationally, causing too much complexity
- Water availability - management and use is important. Some argue that total water availability isn't an issue; water management and collaboration is critical to maintain good supply
- For processors, Scope 1 is much more significant than Scope 3

6. Opportunities

- Consider data collection for improved efficiency
- Precision breeding bill UK to create improved varieties (e.g. virus yellows for sugar beet)
- Some non UK produce is unusable quality, turning processors/supermarkets back to UK produce, even if more costly
- Building collaboration and trust between farmers
- Developing and supporting talent; succession planning
- Niche product higher prices are obtainable if products respond to current customer demand/fashions (eg. Red Tractor is 'now defunct' as so many producers meet the requirement; people want to move towards regenerative agriculture now)

7. What is needed

- Research-led agenda driven BY farmers FOR farmers – to enable fast technology adoption on farm. Working much more closely with the Norwich Research Park scientists.
- Future research planning, led by farmer and processor needs. Short, medium and long term (e.g. improved varieties, system efficiency, regen agriculture economic feasibility)
- Reframing of food to nutrition: evidence on whether regenerative agriculture food is higher nutritional value
- Environmental sustainability initiatives need to be demonstrated to work and be economically sustainable, with simpler criteria for measurement and support for adoption
- Cooperation between farmers and across the industry
- Infrastructure investment by government at large scale to remain globally competive
- Infrastructure investments
- Future vision – global food demand shifts especially on livestock production
- Responding to concerns about Regenerative Agriculture in 4. above, with trials, further evidence gathering and sharing

Mentioned reports/books:

Dr Hannah Fraser Nuffield Study on how farming impacts impact nutrient density and how to encourage consumption of nutrient dense foods https://www.nuffieldscholar.org/scholars/2023/hannah-fraser#:~:text=The%20aims%20for%20my%20Nuffield,consumption%20of%20nutrient%20dense%20foods.

Gary Zimmer (2024) The Biological Farmer: A complete guide to the sustainable and profitable biological system of farming. US Farmer. https://www.amazon.co.uk/Biological-Farmer-Complete-Sustainable-Profitable/dp/1601731345

John Kempf (farmer expert in nutrition management systems for plant and soil health) gave examples of this at Groundswell June 2024 https://www.youtube.com/watch?v=rK_ldpQHjlU. Recommended reading from John Kempf: https://advancingecoag.com/article/john-kempfs-recommended-books/

Attendees:

Andrew Spinks, Browne and Co, YIELD, RNAA trustee
Chris Graf-Grote - Nuffield, Spearhead and other farm enterprises
Clarke Willis – Anglia Farmers 2002, Food Enterprise Park, Norfolk Farming and Wildlife Advisory Group
Craig Stephen - Valeo (Kettle)
Dan Green - British Sugar
Denis Lima e Alves - Norwich Business School, UEA
Frances Roberson - Food and Farm Discovery Trust
George Mason - Heygates Milling
Ian Baker - North Farm
Jon Clarke - John Innes Centre business development, RNAA trustee
Kathryn Hamyln - Syngenta
Martin Collinson - Chairman Agrifood AFIC
Peter Emmrich - Norwich Institute for Sustainable Development, Norwich Research Park
Rebecca Gee - Crisp Malt
Richard Hirst - Hirst's Farm
Teresa Meadows - Water Resources East
Tim Place - Place UK
Tom Pearson - Raynham Estate

Organising team:

Poul Hovesen – President, RNAA, retired farmer (Chair)
Mark Nicholas - Managing Director, RNAA
Bob King - 35 years multi industry and working with RNAA
Emily Norton - RNAA trustee/Owner and founder at Farm Foresight Ltd (Chair)
Natasha Grist – Norwich Institute for Sustainable Development, Norwich Research Park

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Many thanks to all attendees, and to organising team for comments on initial drafts.
Comments and corrections by 31 May 2025 to Lead Author Natasha Grist – n.grist@uea.ac.uk.

Background note:
These meetings are part of a wider initiative of Sustainable Farming Systems for Norfolk. Two closed roundtables were convened in April and May 2025 generating discussion and valuable opinions about current status of Norfolk's food sector in advance of the Big Debate, to be held at the Royal Norfolk Show in June 2025. Contact Mark Nicholas at the RNAA or Natasha Grist at NISD for further information.