

## FAQs:

### BUYING BRITISH FOR OPERATIONAL FEEDING

**Last Updated:** 20 June 2011

#### **Background**

Within DE&S, Defence Food Services (DFS) has a single food supply contractor, Purple Foodservice Solutions Ltd (PFS), for Operational feeding to UK Armed Forces personnel “in barracks” (when personnel are not being fed under the Catering Retail and Leisure programme), and to UK Armed Forces personnel serving on Operations and overseas exercises.

- PFS is required to provide surety of supply and seek best value for money in the open market consistent with meeting MOD quality standards. Furthermore, PFS increasingly takes into account ethical and sustainable criteria and, wherever they are competitive, gives full consideration to procuring British products.
- DFS is working with DEFRA and other bodies to identify further opportunities in which it can work with British producers.

#### **EU procurement legislation.**

- EU procurement legislation, specifically Article 28 of the Treaty of Rome, forbids MOD to specify only British products or only source products from a particular region. Even if it were permitted, local suppliers are sometimes unable to meet MOD’s demand for year round supply, cannot compete on price or, in the case of meat, satisfy the requirement for a frozen product.
- Under the CRL Contract catering project currently being introduced across the UK, and accounting for more than 66% of troops fed, the provision of catering, leisure and retail facilities for non-operational bases and barracks is being consolidated and let under regionally-based “Super Multi-Activity Contracts” and Private Funding Initiatives. This is not Crown (Public) money and the contractors source, buy and supply their own food, with the troops having the option to eat in barracks or elsewhere. Nevertheless, the contractors are required to seek best value for money in the open market, consistent with meeting EU quality standards, and wherever competitive, give full consideration to procuring British products.
- PFS lists approximately 1150 different food related items for the Armed Forces in the Core Range Price List. They estimate that approximately 60% of lines listed (excluding fresh produce) are sourced from suppliers within the UK. The percentage of UK produced goods changes regularly as a result of seasonality; value for money incentives and changes of supplier. Some products are manufactured using a number of ingredients from various countries including the UK whilst others, such as fresh fruit and vegetables, are sourced seasonally from a variety of countries and some items, such as bananas and coffee beans, are not grown in the UK.

#### **FAQ’s**

## **How much of Meat and Fresh Products Procured is British?**

Of the annual UK procurement by DFS, 25-30% of the range (by value) is frozen meat, of which origin breakdowns are as follows:

- **Beef.**

Of a total of nearly 1400 tonnes, 460 tonnes of prime British cuts are purchased; therefore approximately 35% of the requirement is sourced in Britain. Development of UK sources continues through working with primary processors and industry bodies, to identify areas to increase the volume of British Beef sourced.

- **Pork.**

Approximately 550 tonnes of prime cuts, and 100% British. Additionally, British raw material is used for all Gammon Steaks, totaling 110 tonnes. In contrast, no British bacon is purchased as a recent study to compare EU Back Bacon (for a requirement of over 600 tonnes) against a similar UK product indicated a price differential of 32% based on QF Kg comparisons. A similar project to investigate the purchase of 'heavy pig' bacon highlighted a 25% surcharge although the final product was considered unpalatable.

- **Lamb.**

Of approximately 550 tonnes of Lamb/Mutton, up to 20% is of British origin. Development of UK sources continues, however, the main difficulties in procuring British lamb include a requirement for frozen meat, and a significant price difference as the UK foodservice sector demands a chilled product. For example, British lamb costs in the order of 70-80% more than lamb imported from New Zealand, when seasonality, packing and shipping costs are included.

- **Poultry.**

Of approximately 2100 tonnes of poultry, up to 10% is British. Of this, 100% of whole Turkeys are of UK origin. British poultry can cost up to 20% more than a comparable EU frozen product.

The off-take for other products of UK origin is as follows:

- **Fish.**

DFS has a policy to purchase only seafood from sustainable sources and suppliers must comply with the Marine Conservation Society's list of fish to eat, those certified by the Marine Stewardship Council or from stocks that meet the United Nation's Food and Agriculture Organisation's Code of Conduct for Responsible Fisheries. Spend is approximately £1.7M.

- **Fresh Milk and Bread.**

UK supply is currently sub-contracted to British suppliers.

- **Eggs.**

All fresh eggs and egg products that are supplied to UK, South Atlantic and Afghanistan based military personnel are British.

- **Fresh Fruit and Vegetables.**

With an average annual spend of £7.1M spent on fresh produce, approximately 53% is British. This figure varies according to seasonality, and will preclude products that cannot be grown within the UK, additional cost to supply UK grown lines (where feasible) only, would attract an on-cost of approximately 25%.

### **What is the Cost?**

- Specifically for the MOD, it has been estimated that the additional cost of a purely “buy British” policy (albeit such a policy would not be pursued under current legislation) could be in the region of £10.5M per year of which over £5M is for Beef, £600K for Bacon/Whole Gammon, £1M for Lamb, £2M for Poultry and £1.75M for fruit and veg.

### **Why is the MOD doing this?**

- MOD, like all Government, procurement has to meet EU and UK legislation which is intended to prevent ‘buy national’ policies and encourage free trade and equal access to markets. Any action in contradiction to these principles would run a high risk of legal challenge and infraction proceedings and would be contrary to the Government’s wider public procurement policy.

See: <http://sd.defra.gov.uk/2011/06/new-government-buying-standards-for-food-andcatering/>

### **Further information:**

The Government’s wider policy on food is also relevant, including that;

- It will support and develop British farming and encourage sustainable food production, helping to enhance the competitiveness and resilience of the whole food chain to ensure a secure, environmentally sustainable and healthy supply of food with improved standards of animal welfare.
- With a growing population, climate change and the pressure placed on land, it is necessary to produce more food sustainably.
- Government sectors will need to work in partnership with a range of sectors from the food and farming industries, consumers, civil society-and EU and international organisations.
- There have though been a number of successful initiatives to provide opportunities to the British farming community and increase the volume of British meat purchased, through working closely with the AHDB (formerly Meat and Livestock Commission), Red Meat Industry Forum and Farming Industry representatives. Work continues with the AHDB to identify opportunities for increasing the volume of British meat whilst ensuring value for money, quality standards and surety of supply. For example, this relationship, (with the assistance of the English Farming & Food Partnerships and Vestey Foods UK) concluded

with a 'pilot scheme' raising awareness and providing provenance of British reared Beef. Additionally, projects to assess the viability of British bacon have been thoroughly investigated although cost remains prohibitive at this time. Finally, of note, DFS were awarded the David Black Award for support to the UK Pork industry in 2009.