

1. London Food Link

London Food Link (LFL) aims to help producers, consumers and retailers make a positive choice for sustainable, local food. This means better access to affordable, high quality and seasonal food, shorter supply chains and campaigning for policies which promote a thriving local food economy and culture.

LFL has around 40 members including Primary Care Trusts, London Boroughs, business associations, retailers, community and environmental groups, allotment groups, food access partnerships and food writers. LFL is funded by the Bridge House Estates Trust Fund, the London Development Agency and a London-based Trust.

LFL was launched in March 2002 by the charity Sustain: the alliance for better food and farming. Sustain is an alliance of 107 national organisations with an interest food issues from farm to fork, including Oxfam, British Heart Foundation, Compassion in World Farming, Campaign for Real Ale and the Consumers' Association. Through our membership, Sustain represents around 3 million people. Sustain's Chair is Professor Tim Lang of City University's Department for Health Management and Food Policy.

2. Wholesale Markets Review

1. Do you agree with the conclusion that services provided by the markets should be consolidated on a limited number of sites? What do you see as the benefits and disadvantages of this approach?

1.1 London Food Link members recognise a number of benefits of consolidating the wholesale markets including: access to a wider range of goods at a single market; keeping market traffic away from central London areas and opportunities for SME food businesses and producers to collaborate to form purchasing and supply co-ops.

1.2 Nevertheless, there are many negative implications of a consolidation. These include the expected loss of jobs from Smithfield and Billingsgate. At Smithfield alone there are 60 market staff, 800 traders and staff employed by them as well as self-employed porters.

1.3 The provision of the CHP facilities at Smithfield mean that energy supplies are efficient, carbon neutral and supply the Barbican and Guildhall, as well as the traders. Closure of the market will affect this efficiency.

1.4 The review suggests that small businesses and ethnic minority traders benefit most from the status quo. Yet it suggests that market efficiencies and competitiveness alone should govern the success of the new consolidated composite markets. This system is likely to support larger, rather than smaller retailers and producers and will potentially harm the viability of independent and ethnic minority traders.

1.5 While we recognise that less congestion in central London may be a result from the proposals, there could be much more local traffic all over London as market customers make their way to just three wholesale markets.

1.6 The closure of Billingsgate will take associated custom of market staff away from the surrounding areas of Tower Hamlets, which needs to support local investment and enterprise. At Smithfield in particular, a thriving retail and catering sector is closely associated with the market and is indeed famous for its proximity.

1.7 Smithfield's licensed cutting room facilities and emerging delicatessen enterprises could develop into a profitable retail sector, alongside its traditional wholesale role, adding value and skilled jobs to the sector.

1.8 The assertions made for the catering sector's skills-base is misguided. Eliminating low-skilled kitchen staff and therefore waste is not a situation which many agencies, including London Food Link and most Regional Development Agencies, including the London Development Agency would wish to foster. Rather the opposite is desirable. Furthermore, taking low-skilled workers out of the catering trade means simply that they will be identified in the even lower-skilled and lower paid food processing sector.

2. Do you agree with the reviewer that the legislation that applies to wholesale markets restrains trade and results in inefficiency, uneconomic distribution and waste?

2.1 The current system is over-regulated and the old 'six and two-thirds' laws would be considered inappropriate in other areas of the food sector. Nevertheless, the review suggests that the planning and regulation of the new markets will not be recommended and that competitive efficiency be left to the market. This flies in the face of the fact that the most vulnerable businesses, namely small, independent and ethnic grocers still rely on wholesale markets for their stock. Government-led initiatives including Eat the View (Countryside Agency), 5-a-day (New Opportunities Fund) and the responses by DEFRA flowing from the Curry Commission recommendations support methods which will diversify and multiply the food sector. In addition, market forces pre-eminence in larger consolidated markets would tend to favour consolidated supplies which may result ultimately in lower prices at the cost of a smaller variety of products within a range (e.g. less seasonal and varietal diversity).

3. Would the interests of market users be better served by allowing freedom to trade in all kinds of fresh produce (meat, fish, fruit and vegetables and flowers and plants) at each of the markets?

3.1 No. Consolidation is clearly necessary in some areas – New Covent Garden's declining business is an indicator of this. However, members have expressed concern that certain foods should remain separate from others – meat and fish could be consolidated at one place, flowers and vegetables at others. (See point 6 below)

4. Do you agree that London's wholesale markets should be free to compete with each other and that obstacles to competition should be removed?

4.1 No. This could result in more congestion as the most competitive market wins the 'race to the bottom'. Such competition may well be founded from specialisation of product range, further denuding customer choice. A strategic approach to supporting a much more diverse system of food wholesaling to ensure a more diverse food retail

sector needs to be developed. The existing reliance by SMEs on wholesale markets must not be threatened in the name of efficiency and competitiveness if it actually threatens the diversity of the retail sector. Simply making it easier for catering sector customers to benefit from the new proposals is too narrow an aim for this review and for London's food sector as a whole.

5. Do you agree with the recommendation that London should be serviced by three composite markets each trading in fruit and vegetables, meat and fish and based at Nine Elms, Spitalfields and Western International?

5.1 No. We need more than three, possibly some smaller sub-regional markets. The attraction of the existence of food markets is a great draw to tourists – Borough Market and Old Covent Garden reflect this. The loss of central, accessible markets such as Smithfield will be a lost opportunity for tourist and increased retail income and the local food economy.

6. If in disagreement...do you regard the existing arrangements as sustainable for the next ten years or more? Do you have alternative suggestions?

6.1 While we agree that some consolidation should take place, we feel that consolidation at three relatively out-lying centres will limit competition and range and will eventually exacerbate congestion.

6.2 We suggest that Spitalfields absorbs the remaining business at New Covent Garden, that fish and meat traders combine their market at New Covent Garden and that the existing arrangements at Smithfield and Billingsgate close, although new uses for Smithfield should be explored as below.

6.3 We see enormous potential for reusing Smithfield as a permanent retail market and farmers' market for local producers in and around London. Existing white room facilities could be used by collaborations of local producers for the processing of meat into cuts, sausages, mince etc. to optimise marketing opportunities both to London caterers and public sector customers such as schools and hospitals. (Sustain is leading developments to develop more sustainable and local public sector supply systems.)

6.4 Sub-regional markets may be needed to support SME suppliers and customers who may wish to collaborate but retain their independence.

7. Which (if any) of the models set out in chapter 6 would you support? Have you any alternative suggestions?

7.1 Model 2 of those offered but see point 6 above.

8. Other comments

8.1 Before the final review recommendations are concluded and acted upon, London Food Link members would strongly urge and support assessments on the potential impacts of the changes on transport and congestion, local jobs and services in the

London Wholesale Markets Review
February 2003

neighbourhoods near existing markets and on local food businesses using the existing markets.

8.2 London Food Link, with the London Development Agency, is assessing the potential for strengthening and diversifying the local food sector in London.

8.3 The current market review recommendations will neither strengthen nor diversify the local food sector.

Appendices

A.1 Membership of London Food Link

Camden & Islington Primary Care Trust
City & Hackney Primary Care Trust
Community Kitchens Network
Celtic Bakers
W.H. Cragg Associates (farmers' network)
Crisis Fairshare
Dalgarno SRB, W10
Maria Davies (University of Westminster)
East London Food Access
East London Organic Growers
East Thames Housing Association
First Fruit Co-op
Food Commission
Foodlink Shrublands
Jo Foster (Manager, Islington Farmers' Market)
Greenwich Co-operative Development Agency
Greenwich Primary Care Trust
Growing Communities
Haringey Primary Care Trust
Health Development Agency
Henrietta Green (Food writer)
Jenny Usher Organics
London Borough of Croydon
London Borough of Ealing
London Borough of Haringey
London Federation of City Farms & Community Gardens
London Farmers' Markets
London First
London Sustainability Exchange
Rachel McLoughlin (individual)
Newham Food Access Partnership
Newham Primary Care Trust
Quality Environment Dartford
OrganicLea
Reunite Edmonton
Soil Association
Sustain: the alliance for better food and farming
Justine Thoday (Economist)
Patrick & Katie Treherne (Organic Market Gardeners)
Women's Environmental Network

A.2 London Food Link Working Party Members

Countryside Agency
Government Office for the South East/DEFRA

London Wholesale Markets Review
February 2003

Greater London Authority
Guild of Food Writers (Chair)
London Development Agency
London Farmers' Markets Ltd
London First
National Farmers' Union
Newham Food Access Partnership
QED Allotments Group
Soil Association
Sustain: the alliance for better food and farming

A.3 Benefits of the local food sector

The local food sector in Britain – vital statistics:

Economic benefits:

- Every £10 spent with a local food business is worth £25 for the local area, compared with £14 spent with the supermarkets
- 20 large and 280 small box schemes supply 60,000 families every week
- There are over 390 farmers' markets in operation now (first UK farmers' market started 1998)
- A study of 81 food shops in East Suffolk found they were buying local food from 295 local producers
- 26% of local food businesses have created jobs during the last year compared to 8% of non-local food businesses
- Farms in the south west producing food which is sold locally, employ an average of one additional employee per farm
- 25% of local food businesses increased the value of their local purchases in the last 12 months
- At least 2,143 enterprises are currently listed in local food directories
- Nearly twice as many local food businesses are involved in collaborative ventures compared to non-local food businesses

Social benefits:

- Over 50% of local food businesses believe that their involvement in the sector has improved their local community's access to fresh produce
- 55% of local food sales are through existing shops and markets
- Those involved in the local food sector are nearly four times more likely to have received training than those involved in comparable non-food enterprises
- 74% of local food businesses have direct contact with some of their customers compared to 35% of non-local food businesses
- 35% of local food businesses provide information on the health benefits of eating fresh food compared to 13% of non-local food businesses
- A quarter of local food businesses involve local people in their enterprise activities, compared to 10% of non-local food businesses

Environmental benefits:

- More than twice as many enterprises involved in the local food sector are involved in waste reduction practices compared to those outside the sector
- A study of three farms involved in the local food sector revealed that on average 48% of food produced was sold within 15 miles of the farm
- Local food producers are significantly more likely to be certified organic than non-local producers
- Traditional breeds and old varieties are present on nearly twice as many local food enterprises compared to non-local food businesses
- Local marketing and branding initiatives link products to the protection of the landscapes from which they originate.¹

¹ All statistics - *The Local Food Sector: Its Size and Potential*, Foundation for Local Food Initiatives, April 2002. www.localfood.org.uk