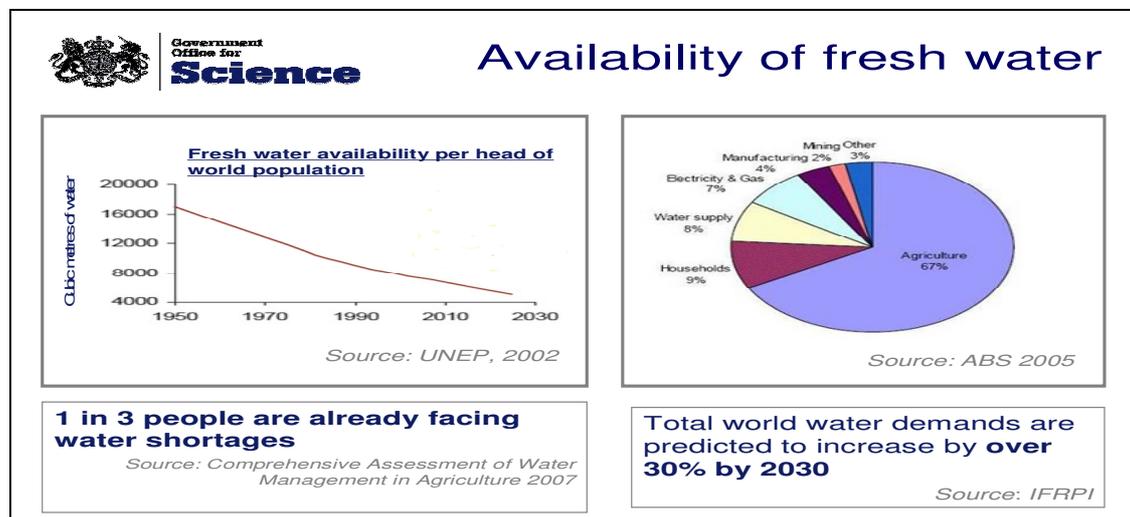
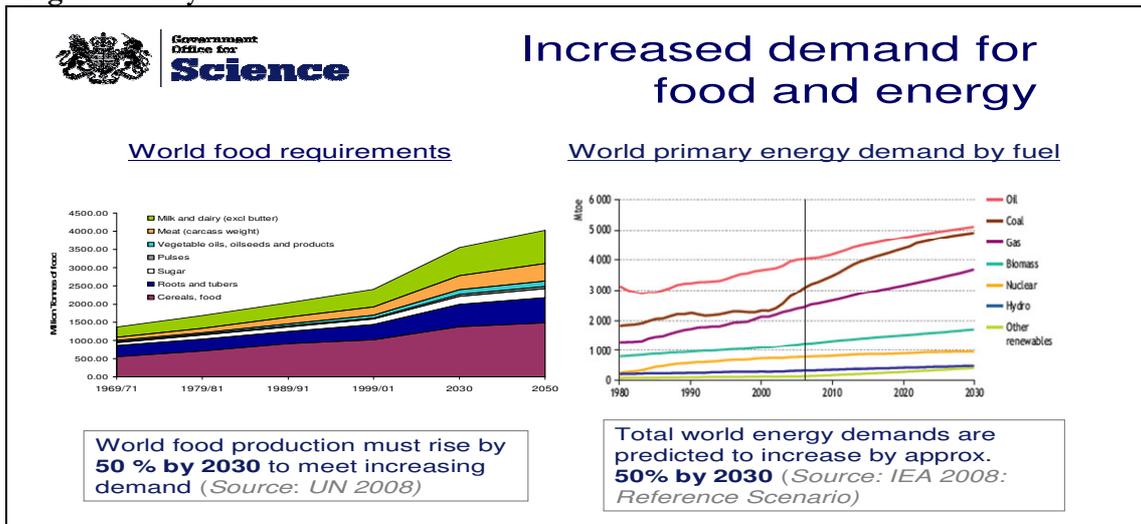


Cornwall Agri-food Council

The Cornwall Agri-food Council board has developed this paper in order to inform the discussions about agricultural, horticultural, food and wider rural economic development in Cornwall and the Isles of Scilly. As the emerging roles and responsibilities of Cornwall Council, the Local Enterprise Partnership and the Cornwall Development Company develop we feel it is important to feed in our views which are based on our experiences from the last 10 years.

Global Context - As a nation we are facing unprecedented challenges over the next decade as the tough economic situation continues alongside the ever increasing challenges of water, food and energy security. The Government's Chief Scientist, Professor John Beddington (see figure 1), describes this situation as a "perfect storm" and therefore the manner in which we attempt to address these challenges has to evolve in order to be fit for purpose.

Figure 1 – Key statistics

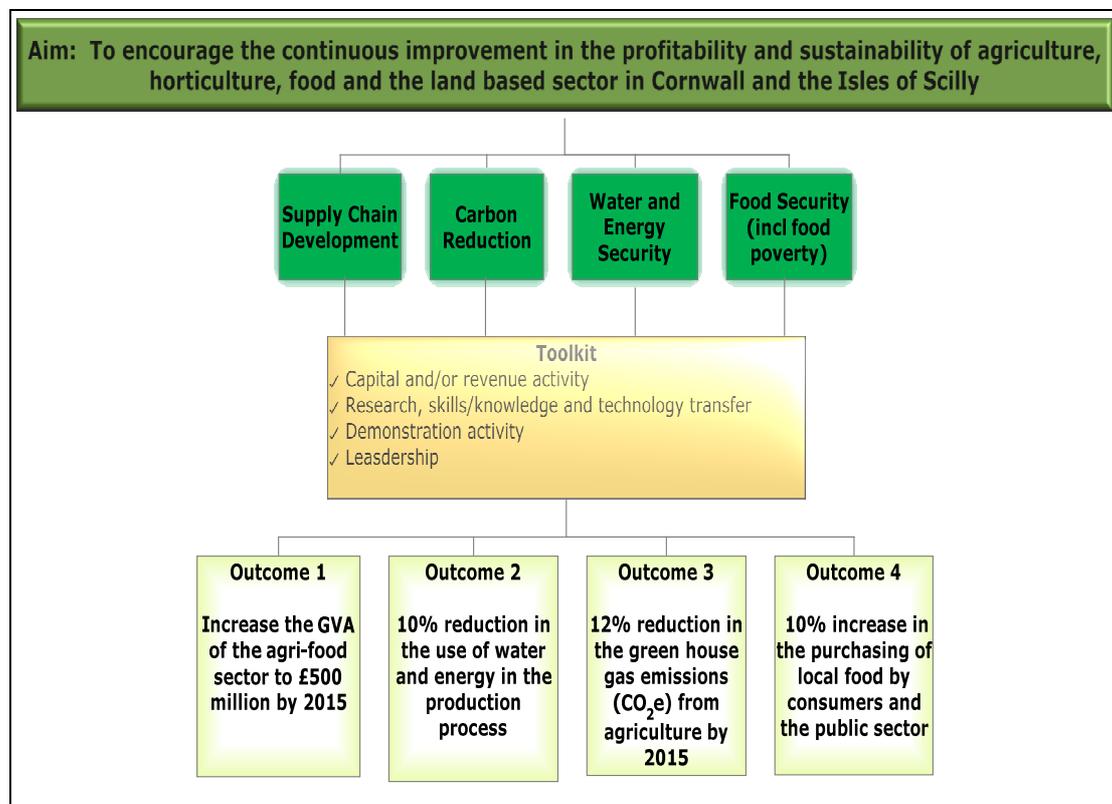


Cornwall and the Isles of Scilly Context - In Cornwall and the Isles of Scilly all of these issues are very real and made more acute by our geographic location and reliance on imported energy supplies but we have many advantages in terms of our strong agricultural and food industry, climatic conditions, Bodmin Moor, energy from wind, solar and wave technologies, the various EU funding programmes that can be used to drive change and above all the willingness of key stakeholders to take positive action. For much of the last ten years the CAC has been advocating an "agri-food" sector approach that does not draw an artificial line between production and processing of food. GVA data is only available for the narrow definition of agri-food sector in Cornwall, ie wholesale and retail is excluded. The sector has shown an increase in absolute terms, growing from £199 million in 1999 to £366 million in 2006. As a proportion of total GVA, its contribution has increased from 4.9% to 5.3%. The sector has grown at an annual rate of 9.1%, above the average annual rate for the Cornish economy of 7.9%.

Agriculture Headline Facts	Food and Drink Headline Facts
<ul style="list-style-type: none"> ➤ Gross Value Added (GVA) for agriculture and forestry makes up 2.3% of the economy in Cornwall and the Isles of Scilly, compared to 1% across the UK as a whole. ➤ From 1999 to 2006 the annual growth rate of GVA, for the sector in Cornwall was 9.1%. ➤ In 2006 there were 14,600 people working in the sector. ➤ Over 75% of Cornwall's land mass is managed by farmers and land owners ➤ Cornwall has the 2nd largest area of permanent pasture of any county in England ➤ Approximately 20% of Cornwall's green house gas emissions come from agriculture and land use (this figure excludes any sequestration benefits derived 	<ul style="list-style-type: none"> ➤ Food and drink manufacturing employs 6,700 with 21,000 employed in the broader food sector. ➤ In contrast to the situation across Great Britain, employment in absolute and relative terms has grown in Cornwall. An increase of 1800 or 37%. ➤ The number of business units in the food and drink manufacturing sector has increased by 15% between 1999 and 2006 ➤ Employee earnings levels in food processing for the UK are close to the average (median) figure (£364) ➤ In 2006 the overall GVA for the sector was £205 million, equal to 3% of total GVA. ➤ Davidstow Cheese plant is the largest and most technically advanced cheese production unit in Europe, with the capacity to process 500 million litres of milk ➤ There is a growing concentration of EU "protected names" products in Cornwall e.g. Clotted Cream

NB: All figures are based on 2006 statistics unless otherwise specified

The diagram below outlines our strategic focus for the future. This will enable us to build on the current position so that the agri-food sector can face the challenges and above all deliver change.



In terms of fit with the emerging economic white paper priorities this activity will contribute to the following:-

Priority	Contribution
Business Transformation leading to high productivity	World Class skills and business processes to improve GVA
Cornwall Connectivity	The market for much of the production from the agri-food sector in Cornwall is across the UK and Europe. By developing the supply chain between primary producers and processors the sector can develop a competitive edge
Place Shaping	Transformational regeneration in rural areas
Low Carbon Economy	Energy and environmental technologies can be employed in the agri-food sector to make significant contributions to the reduction of Cornwall's GHG emissions

The proposal being made by the CAC in this paper is to deliver this strategic framework on behalf of the LEP in the agricultural, horticultural, food and land based sector. The approximate cost of this is up for discussion but resource is required to fund a core team, hosted in the CDC, as well as a budget to undertake a range of activity across the sector.