



co  
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committed to the best of British



# Foreword

We truly believe that UK farmers produce some of the best food in the world.

But we also know that British farming communities continue to face into hard times, with more meat, fruit and vegetables being sourced from abroad along with ongoing economic uncertainties.

The Co-op championed a very different way of doing business over 170 years ago and we continue to be a retailer that is really passionate about supporting local communities; it's what we do best. Our desire to show our support to our British farmers is as strong as ever and we felt it important to play our part in addressing the balance.

So, I am delighted and proud to announce that we are going further than any other UK retailer. We will only source 100% fresh British meat for our own brand and in 2018, all of our own brand frozen products will also use only 100% British meat.

And when I say 100%, I mean 100%. From our pork pies, to our chicken tikka masala ready meals. From our lamb chops, to our shepherd's pies. From our scotch eggs to the bacon in our BLTs, it will all be 100% British meat.

And, we're not stopping there. We will invest more money to back British producers, whether they be farmers or small, local food suppliers. We want to extend British fruit and vegetable seasons where we can, stock more seasonal British fruit and vegetables and we will double the number of local suppliers.

We know this all adds up to a better way of doing business for not only the farmers, shoppers and the millions of members who own our business but also all the local communities where we trade. And I'm so proud that it's the Co-op leading the way.

Jo Whitfield  
Retail Chief Executive, the Co-op



Phil Pearce - lamb farmer, Devon

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# Introduction

With a store in every postal area, communities matter to the Co-op.

There was a time when Britain was self-sufficient, providing enough food from its own land to feed its inhabitants. Today, a larger and ever growing population, along with global supply chains, mean that the UK only produces half of the food it eats\*.

Our shoppers tell us that where their food comes from matters and they want to support UK products and the communities which grow or make them. **We have now switched all of Co-op bacon and lamb to British and will only sell 100% British own brand fresh meat.** In 2018, we will use only British meat in all our frozen products.

In 2014, we said we would invest £1.5bn over three years sourcing UK meat, produce and dairy goods.

**From 2018, we aim to boost this by a further £1bn - committing to spend £2.5bn.**

This report sets out our new three-year pledges for supporting Britain's food future and how we'll work with farmers, growers and small local suppliers.

\*Defra





100%

Co-op fresh  
British meat

Invest  
£2.5bn  
to sourcing

Supporting  
British  
fruit,  
vegetables  
& flowers

## Co-op pledges

Our new  
five-point plan  
sets out in detail  
what we aim  
to do over the  
next three years  
and what we will  
continue doing.

- 1 Boost British farming support by an extra £1bn by committing to investing £2.5bn into sourcing own brand British meat, produce and dairy products from the UK over the next three years (2017-2019).
- 2 Provide only 100% fresh British meat which bears the Co-op's name - lamb and bacon will all be sourced from Britain - and only 100% British meat in our own label frozen products from 2018.
- 3 Extend British seasons for home-grown fruit and vegetables, support British horticulture with new ranges, source British flower varieties and commit to fruit and vegetable growers with new long-term contracts.
- 4 Identify opportunities as part of our research and development programme to deliver further benefits for animal welfare, on-farm efficiencies and product quality. And lead on responsible use of antibiotics within our supply chain.
- 5 Develop farm-to-consumer educational activities to boost food knowledge.





Double  
the amount of  
local suppliers

Extend  
young farmers  
programme

Expand  
farming groups

## Co-op pledges

What we will  
continue to do.

1 Commit to openness and transparency by highlighting sourcing in our sustainability report and to produce a detailed report on our progress each year.

2 Market British products honestly, clearly identifying British products on packaging and in store.

3 Ensure labelling is clear and proudly promotes British sourcing.

4 Only use British meat in all chilled ready meals, pies and sandwiches\*.

5 All of our salmon will be Scottish.

6 Deliver on the NFU's Fruit and Vegetable Pledge and provide more seasonal British fruit and vegetables.

7 Double the amount of local suppliers and proactively promote products made near stores.

8 Expand our farming groups, unveiling a new lamb farming group, new fish group and work towards establishing grower groups.

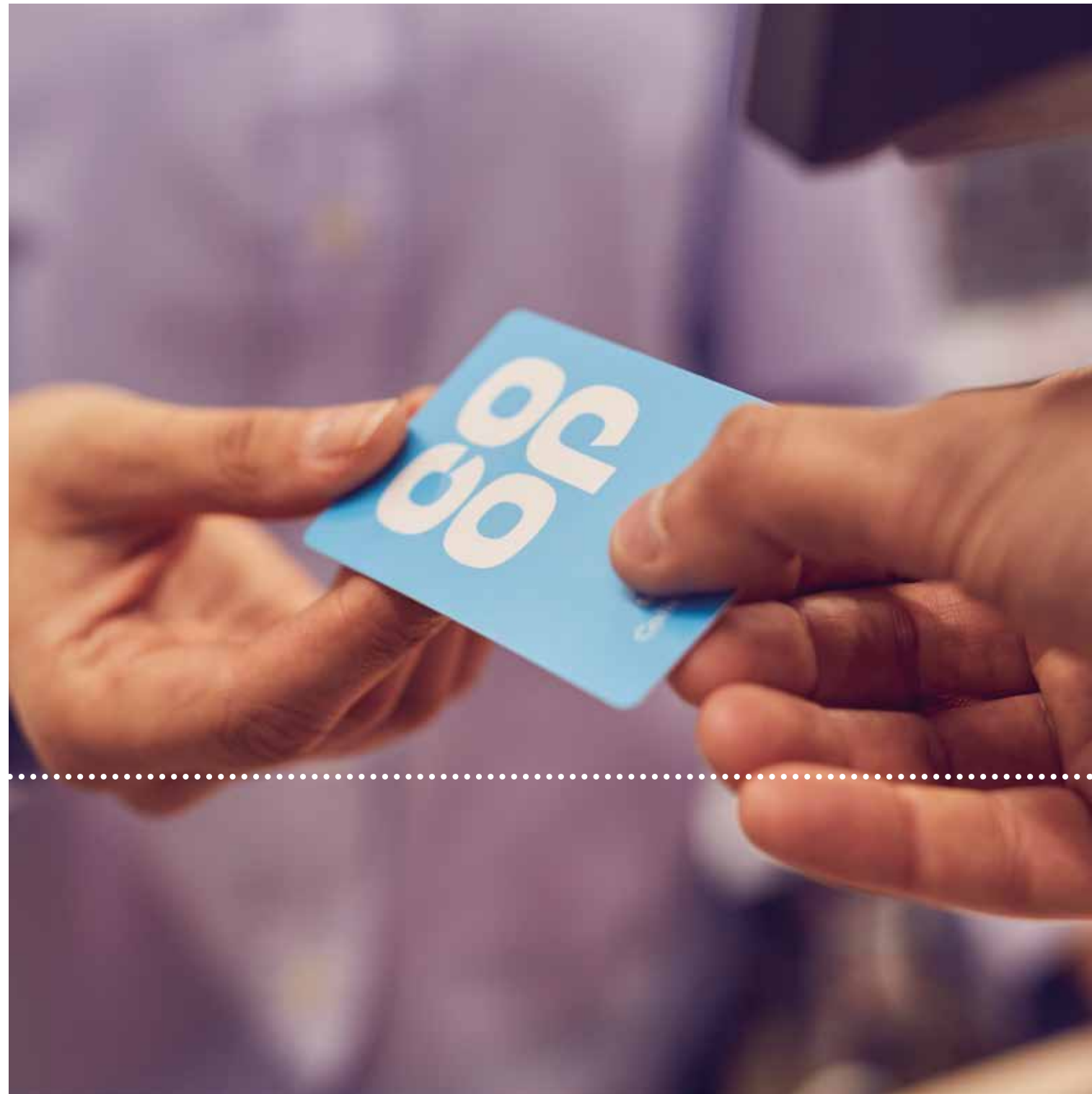
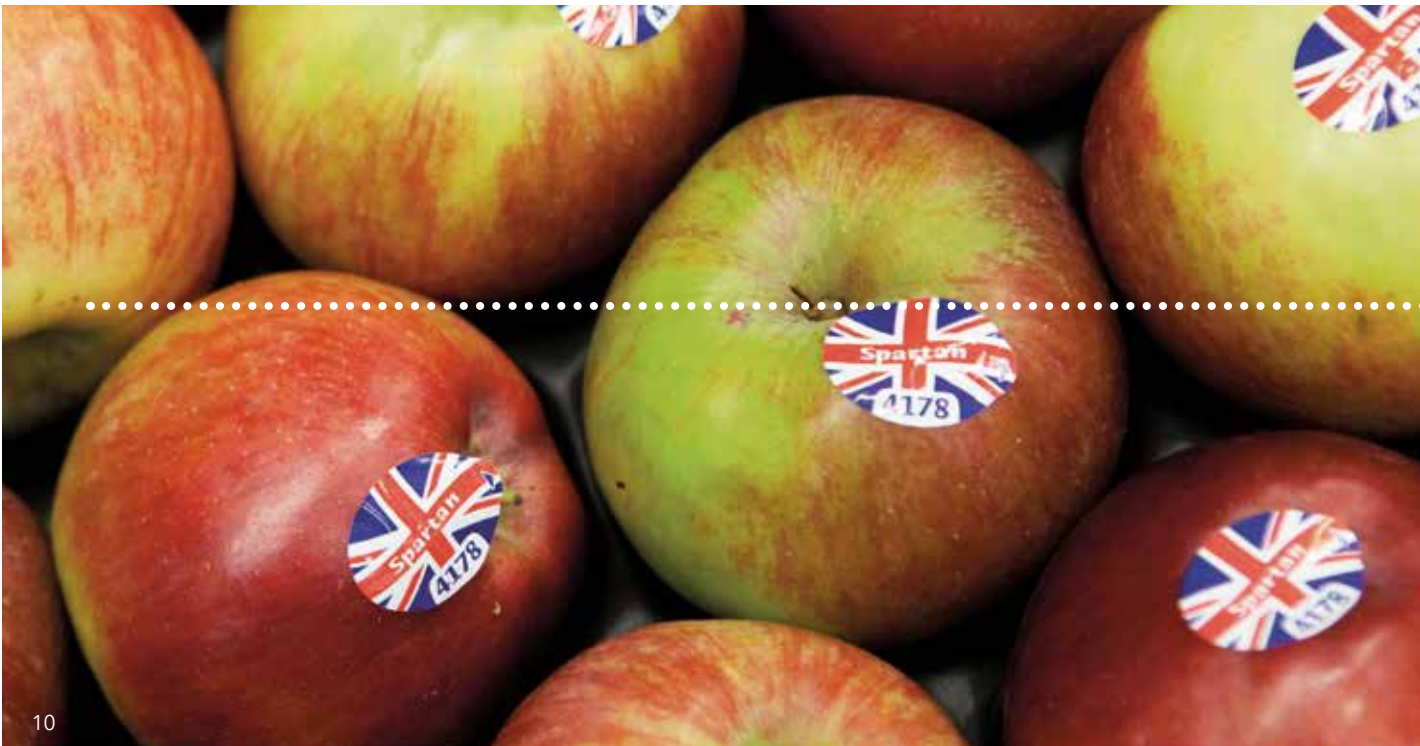
9 Support the next generation of leaders in the farming industry through the extension of our Co-op Farming Pioneers Programme.

10 Integrate our dairy and beef supply chains to deliver further traceability, improved animal welfare and quality products.

11 Monitor and report on the carbon footprint within our Farming Groups and encourage biodiversity practices on farm.

\*Excludes cured continental varieties such as Chorizo and Parma Ham.





Pledge  
Investing in  
Britain's future

# Investing in Britain's future

We are the UK's largest consumer co-operative and the fastest growing convenience retailer in the UK. Our food business employs 70,000 colleagues and we have a store in every postal area across the UK.

Our new membership scheme supports thousands of community groups in villages, towns and cities across England, Scotland, Wales and Northern Ireland. Our members get 5% back for themselves and a further 1% for their local community causes every time they buy Co-op branded products.

This means that all of our British sourced goods, which our members bought, have contributed to the **£9m which we gave to 4,000 groups** across the UK in our first pay-out of 2017.

This ensures that farmers, who we buy from, and the communities where they live and work, benefit.

We work with almost 3,800 farmers and suppliers from all over the UK to source our meat, poultry, dairy and fresh produce as well as sandwiches and chilled ready meals.

Since 2014, we have steadily looked to increase the amount of home-produced items used as ingredients or stocked on our shelves. This will see us spend more with UK suppliers to source own brand British meat, produce and dairy products from the UK over the next three years (2018-2020).

	England	Scotland	Wales	N.Ireland
Farmers	1770	913	79	470
Suppliers	463	49	29	17
Total	2233	962	108	487



In total we are committing **£2.5bn** over the next three years.

As part of this commitment we will switch imported meat, which is used as an ingredient in some of our frozen foods, to British in 2018. This will mean all of our own label frozen products will only use meat sourced from the UK.

The honest labelling of our products is important to us and we've been labelling the origin of our products and key ingredients since 1997. What is legally required has changed, but we always give over and above what is required.

The use of fake farm names by some retailers has hit the news in recent times, while promoting British dishes which use imported meat has also drawn criticism.

We label the country or countries that the main ingredients in our products come from. The format that we declare the origin may vary depending on the size of the label, but we are always honest and as specific as possible.

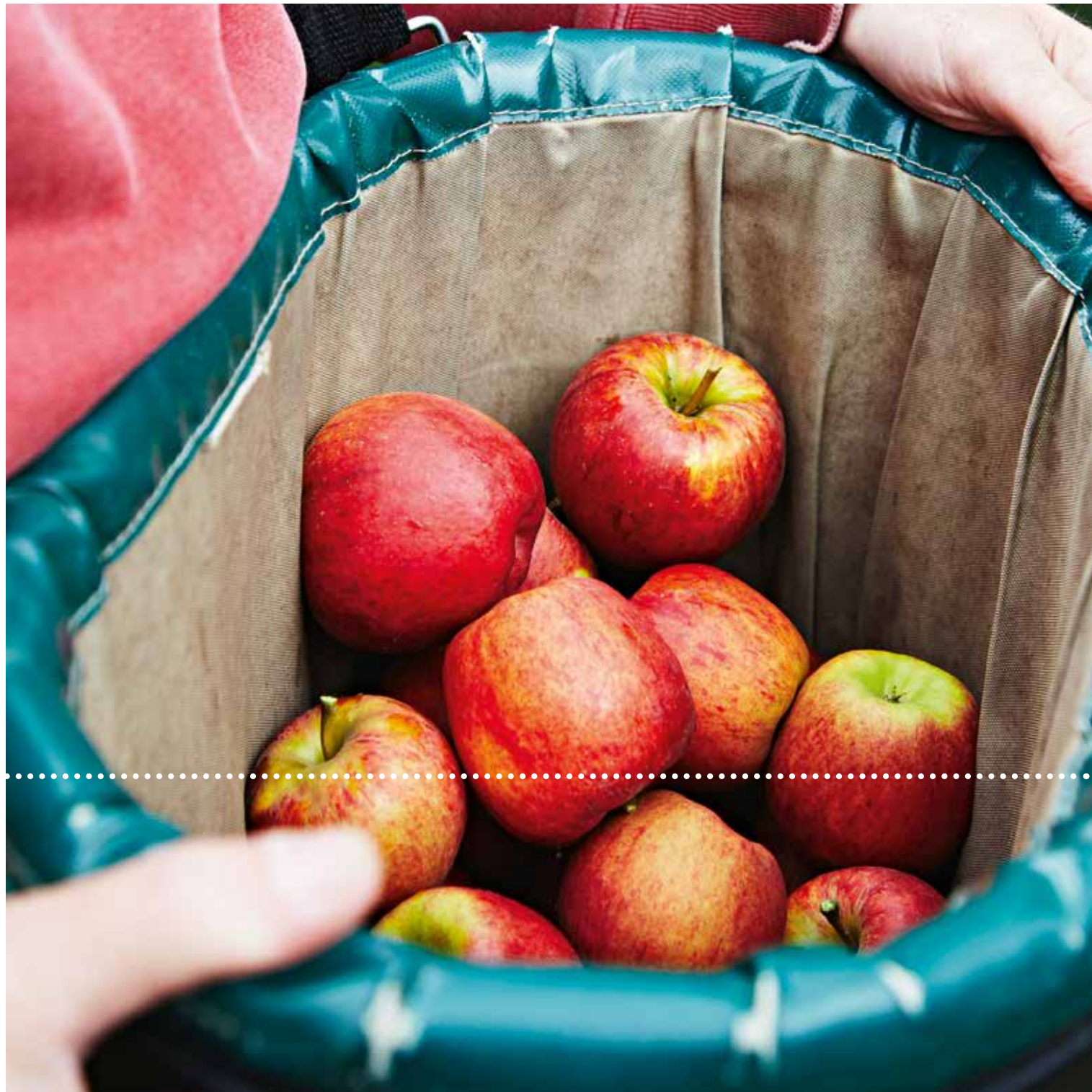
We've always aimed to be open about where our food comes from and, in 2014, we reported that we had some work to do.

And in response, we now only provide 100% fresh own brand British lamb and bacon – ensuring we can make the bold claim that 100% of our own fresh meat is British.

100%  
British Co-op  
fresh meat

Invest  
£2.5bn  
to sourcing





Pledge  
Supporting British  
growers to help  
them support their  
local communities



# British seasons

At the Co-op we know more can be done to extend British seasons for home-grown fruit and vegetables and we're committed to doing more to give British products pride of place on our shelves from the moment they are ripe for picking. We have worked closely with suppliers and have so far extended the British season on over 15 different fruit and vegetable lines.

MWW Farms is one of our valued producers who, for the past 16 years, have been growing and packing a range of crops in the Severn Valley, an area renowned for early production due to its light, sandy soils and low risk of frost.

The Co-op and MWW Farms have worked closely to create a 3 year strategic plan, which means we can offer both extended UK seasonality and new UK product lines for our customers.

Simon Barnett, head of growing at MWW says: "We managed to plant peas before New Year to get product on to Co-op shelves by the first week of May this year and Co-op customers also had Tenderstem® broccoli available to them on Christmas Day last year."

Over the years, MWW Farms has continued to employ innovative methods to establish them as leaders in the field for the broad spectrum of crops; such as offering UK trimmed fine beans to reduce air miles through the UK season. We have worked with them to invest in asparagus production alongside commercial trails of mangetout, fennel and butternut squash for this summer.



Matthew Naylor – flower grower, Lincolnshire



# Horticulture

We aim to support British horticulture with new ranges and will source more British flower varieties. Naylor Flowers is a family-run farm in Lincolnshire that has been growing flowers for over 60 years. The Naylor family are one of the main suppliers of British flowers to the Co-op.

Naylor Flowers grow a wide range of flowers between January and November from daffodils to delphiniums and sunflowers to ornamental cabbages. Each year the hard working team of up to one hundred flower croppers harvest tens of millions of stems by hand especially for the Co-op.

Chris Edgeley, Production Director, is a trained agronomist and his job is to look after the complicated process of growing high-quality flowers whatever the British weather decides to do. He said:

**"When you grow flowers things can change very quickly and it is very important to always keep a close eye on crop health. This is how we can ensure that the customer gets the best results when they get them home and put them in a vase."**

Naylor Flowers' approach to innovation is perfectly illustrated with Sweet Williams. This pretty summer bouquet is one of our best-selling British products. Naylor Flowers grow ten different varieties of Sweet Williams; the seed comes from a number of different countries but all are grown here.

Matthew Naylor, Managing Director said: "We have managed to get the exclusive rights to a strain of Sweet Williams that are slightly earlier than the traditional varieties. This has allowed the Co-op to be the first retailer to offer Sweet Williams for the last two years.

We are quietly confident that 2017 might be the third year in a row. We are always looking at different strains to find taller stems, better colours and a longer life in the customers' vases."

The Naylor family use three generations of knowledge to get the best results which helps to keep British flowers available for longer.

The values of the Naylor family sit very well with those of the Co-op as we both play a strong part in our local communities and last year, for Open Farm Sunday, the Naylor family welcomed 1500 visitors onto their farm. Kathryn Camps, Co-op Technical and Development Manager for Horticulture, said "We were pleased to be involved in Open Farm Sunday at the Naylor family. The sun shone and crowds of people came to enjoy lots of activities. Open Farm Sunday really gives our customers a chance to see the farms on which their food and flowers are grown."

Open Farm Sunday is organised by the charity LEAF - Linking Environment and Farming and Naylor Flowers are accredited under the LEAF Marque standard which is an external audit to demonstrate good environmental credentials in matters such as wildlife habitats, solar energy and water recycling.





Pledge

Supporting British  
farmers and their  
local communities



# Animal welfare

Animal welfare matters to us and a great example is the way farmer Anthony Robinson rears his pigs, ensuring they are healthy and well looked after.

Anthony is a member of the Co-op Pork Farming Group and achieved a gold standard by excelling in all areas. His pigs are born outdoors and their mothers are kept outdoors for their entire lives on chalky or sandy soil that is perfect for pigs. Their piglets move into airy straw barns which have plenty of space for the pigs to run and play. Having the pigs housed in this way benefits their wellbeing and welfare.

The barns that house the pigs have an innovative temperature control system while straw provides a great source of comfort and warmth. All of this helps to keep the pigs cool in summer and warm in winter.

Anthony supplies our premium tier Irresistible bacon and pork, all of which is sourced to RSPCA Assured outdoor bred standards.



Anthony Robinson – pig farmer, Shropshire

# Education – the salmon school

Co-op has long championed the need to share knowledge about farming and food production methods to ensure consumers understand where their food comes from. An example can be seen in our Scottish salmon that shows school children that it's important to look after the environment.

"You are what you eat," said Craig Anderson, Chief Executive Officer of The Scottish Salmon Company, which provides the Co-op with its Scottish salmon. He said "So we are committed to producing the best-quality Scottish salmon."

The company employs about 480 people across its 60 sites in remote and rural areas of the West Coast of Scotland and Hebrides.

Craig said: "It takes about three years to rear Scottish salmon and we are engaged in all stages of their lifecycle. The eggs are incubated in our hatcheries. Once they have hatched, our young salmon are reared in freshwater for about 10 to 12 months. They are then transferred to seawater where they grow for another 14 to 18 months."

A large part of Scotland is made up of rural communities in remote areas. Proud to be at the heart of Scottish rural life, the company is committed to playing an active role in the communities in which it operates. With a focus on health and wellbeing, The Scottish Salmon Company supports a number of local initiatives including match funding to enable

National Theatre in Schools Scotland to deliver its 'Theatre in Schools Scotland' programme, bringing access to arts and performance to children in remote areas including the Hebridean Islands. The company also make regular visits to local schools helping pupils to have a greater understanding of the importance of salmon farming to our communities, the career opportunities available, as well as the life cycle and unique attributes of Scottish salmon.



The Scottish Salmon Company – Scotland



# Co-op Farming Pioneers

At just 25 and 27, Grant and Richard Walker are keen to change the image of farming and see more young people come into the industry.

The average age of the team of six staff at the farm in Dumfries, which provides the Co-op with over 5 million litres of fresh milk a year, is just 24. But your average dairy farmer is 58. Getting younger people to see farming as a great career move can be tricky. At best, it's not considered a modern job choice and, at worst, it's seen as lonely, dirty and a bit too much like hard work!

Richard said: "There are a lot of negative things written about agriculture and the perception is that it's an old-fashioned, hard-working job. But farming's actually fun and rewarding, and offers a huge amount of job satisfaction. It'll always need young people to keep it going. We just need to get that message out there."



Grant & Richard Walker - dairy farmers, Dumfries

The brothers were born and bred on the farm, which was bought in 1972 by their grandfather and run by their dad until he passed away in 1999. They are keen to see more young people coming into the industry, so they take part in local projects that offer children hands-on farm experience. The Walkers are both part of the Co-op's Farming Pioneers Programme, too.

For young farmers in Co-op Food's supply chain, the scheme offers coaching to help develop the next generation of farm owners and leaders.

Richard said: "It encourages young people to see agriculture as a career, as well as giving Co-op suppliers like us, the tools we need to improve. We get to meet other farmers and share our experiences and it's great to be involved. It's good to see a retailer showing interest in projects like this - not just in selling products."

In 2016, they won the Co-op's Farming Ambassador Award and they were also shortlisted for the Farmers Weekly Young Farmer of the Year Award. Richard said:

**"The Co-op's Farming Pioneers Programme will encourage young people to see agriculture as a career, as well as giving suppliers like us the tools we need to improve".**

## CASE STUDY

# Expanding our farming groups

As part of its commitment to providing 100% British lamb all year round, the Co-op has widened out its Lamb Farming Group.

The extended offering, which encompasses its Cambrian Lamb Group, now includes a total of 32 farms from Northern Ireland, Scotland, Wales and England, who work collectively to ensure the availability of high-quality British lamb 365 days of the year.

Placing a sharp focus on animal welfare, environmental impact and farm efficiency, the group also forms part of our strategy to create long-term relationships with our agricultural partners, as well as sustainable and transparent supply chains.

Cath Bennett, Co-op's Agriculture Manager for Beef and Lamb, said: "We know that our customers and members want to support the British farming industry, as well as enjoy the very best quality home-reared lamb, and we're delighted to be able to give them the ability to buy with absolute confidence.

Our commitment to the UK farming industry is stronger than ever and the extension of our lamb farming group comes at a very exciting time for the Co-op, as we become the first British retailer to sell only 100% British own label meat.

Our Cambrian Lamb Group is part of the Cambrian Mountain Initiative, a project inspired by HRH The Prince of Wales. It has 17 local farmers who produce premium-quality Welsh lamb.

Welsh farmers Meirion and Ann Jones produce premium Co-op lamb from the beautiful Cambrian Mountain region of Wales. Their flock of 1,200 sheep enjoy an early lambing season, which begins every year in January. Meirion aims to provide early availability of prime lambs and makes greater use of the farm's rich natural grass reserves.

The management of the lambs' health and welfare is closely monitored to improve the performance of the flock and the farm's impressive efficiency is recognised within the wider farming community.

Having farmed for over 40 years, Meirion and Ann have managed to secure the future of their farm by entering into a partnership with staff member, Iwan Poulton. 24-year old Iwan has worked alongside Meirion ever since he joined the farm as a school leaver. Limited by the huge capital investment needed to buy land, he is now able to fulfil his long-term career goals with the unique farm-sharing alliance, whilst simultaneously affording Meirion and Ann the opportunity to continue doing what they love.



Meirion Jones and Iwan Poulton - lamb farmers, Cambrian Mountains



# Protecting the environment

Our farming groups encourage practices which protect the environment and also monitor and report on the carbon impacts of farms. And one little known fact is that clever and conscientious farming of a cow herd can help the bumble bee.

In 2016, Co-op launched a scheme to monitor and manage environmental impacts in our dedicated farming groups. The Co-op Farming Enviro-Map programme is carrying out carbon footprint assessments and biodiversity surveys across six main produce sectors to produce individual farm reports. These then allow farmers to benchmark performance of their businesses and make decisions to improve efficiency and reduce environmental impact.

A focus on biodiversity has led to an area the size of six football pitches being planted in wildflower meadows across Co-op farms. As well as creating an attractive environment, the wildflowers contribute to the sustainability of on-farm food production. They are vital to biological control and beneficial to insect species while controlling pests that cause harm to the crops.

One member of our Beef Farming Group, Caroline Morris, who supplies beef that, amongst other things, goes to make our burgers, has planted wildflower meadows around the field margins of her mixed enterprise farm in Buckinghamshire.

Caroline said:  
"The wildflowers look fantastic in the summer months and they've certainly increased the number of butterflies on the farm."

Our neighbour, who produces honey, has found an increase in production since our wildflowers have been in place so there has clearly been an increase in the number of bees in the area."

Bumblebees are great pollinators and have a key role in producing much of the food that we eat. If bumblebees and other insect pollinators continue to decline, the extremely high cost of pollinating these plants by other means could significantly increase the cost of fruit and vegetables.

The Co-op protects and preserves the environment by monitoring the impact of farms, sharing best practice and promoting environmental awareness in farm production.



Caroline Morris – Beef Farming Group member



# Traceability and working together with our farmers

Our British beef steaks are fully traceable across the supply chain and our calf scheme has created a way to transfer any male and beef breed calves, born or bred on our Dairy Group farms, across to our dedicated rearing farms.

The scheme allows dairy farmers to easily find a home for their calves and the dedicated calf-rearing scheme lessens the stress on animals. The Co-op is the only retailer to offer a complete solution for all calves from dairy farms. What's more, no other retailer can claim to offer a scheme on the same scale as the Co-op, which offers the calf-rearing for all 193 farmers in its dairy group.



Over 3,000 calves

Fully traceable British beef





Buttermilk Artisan Confectionery



Pledge  
Supporting local  
suppliers and their  
local communities



# Supporting local suppliers and communities

In 2016, we launched our small business charter which will see us double our number of local food suppliers. Backing British is a cornerstone for our strategy, so we've pledged to increase the number of small suppliers that we work with to 1,200 by the end of 2017. This UK-wide local sourcing initiative is also seeing us work with more small and micro-breweries tapping into the growing demand in our stores.

Our five-point charter aims to create closer relationships and support for our local suppliers and will:

- Double the amount of local suppliers and promote products made in the vicinity of our stores.
- Break down traditional barriers to trading by sharing technical expertise and practical support.
- Encourage small suppliers to gain a universal standard (SALSA Accreditation) for food production, legislation and labelling.
- Not seek exclusivity to ensure small businesses can thrive and grow.
- Commit to building long-term relationships with suppliers and growers in order to offer greater certainty and stability while championing local food and suppliers through stores and promotions.

Across every region, there are unique local products made by small businesses which deserve to be on the shelves of big and small retailers alike, and shoppers are responding to the move with sales up 25% year-on-year.

2017 will also see us launch local Christmas ranges for the first time. We will deliver local beer ranges to every store across the UK, and locally produced ambient and chilled products are being rolled out across the UK.



Brad Cummings & Gareth Williams – brewers, South Wales

Working with  
**1,200**  
small suppliers

**25% rise**  
in sales

Local Christmas ranges  
in 2017

## Local suppliers

Richard Anstee, Director, Glamorgan Brewery Co, said: "We are delighted to be working with the Co-op. Its heritage, values and local, community-based approach is a great fit with our business. To reach more Welsh communities is a great opportunity. Glamorgan Brewing Co is on an exciting journey – we stand by our core principals of using the finest water and ingredients and cutting no corners to make the perfect pint. We are constantly asked where our ales can be bought and so this contract win has come at the perfect time to support our business development, build awareness of our brand and open up new markets for our business in communities across Wales."



Tracy McDonnell Goad & David Goad – Buttermilk Artisan Confectionery, Cornwall

The family-run Buttermilk Artisan Confectionery, which started with a shop in Padstow over 50 years ago, supplies 40 Co-op stores across Cornwall with four of its award-winning treats.

Tracy McDonnell Goad, Managing Director for Buttermilk, said:

"We are so pleased that Co-op are supporting local producers as this enables us to maintain sales year round, meaning we can secure jobs for our Buttermilk team who are normally effected by the seasonality of tourism. To reach so many more local communities is a great opportunity to build awareness of our brand, open up new markets and see our handmade treats in more homes across the region and beyond."



# Closing remarks

At the Co-op we like telling it like it is, as it means you know exactly what you're getting when you shop with us. Like labels that tell you if a local farmer grew the fruit, veg or flowers you're buying. Or labels which say that own brand fresh meat is 100% British sourced, or the fact that by 2018, all Co-op frozen meat will be too.

We're really big on community spirit.

**These initiatives are all part of the Co-op's commitment to invest £2.5bn in British farming over the coming years:**

- Long-term contracts to secure livelihoods
- Raising animal welfare standards
- Developing delicious new ranges
- Getting British goods on our shelves as soon as they're picked.

Which means more good, honest, traceable UK grown goods for you at your Co-op store.

## It's a win-win

Michael Fletcher  
Commercial Director, Co-op.



Huw Jones – dairy farmer, Wales





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