

**FEDERATION OF BAKERS' ANNUAL CONFERENCE - 16<sup>TH</sup> MAY 2007  
TRANSCRIPT OF PANEL DEBATE SESSION**

**PANEL DEBATE**

**Sylvia Macdonald – Editor, British Baker (Chair)**

**Ian Bentley - Trading Executive, Marks & Spencer Plc**

**Dr. Andrew Wadge - Chief Scientist, Food Standards Agency**

**Joe Street - Managing Director, Fine Lady Bakeries**

**Professor Robert Pickard - Director General, British Nutrition Foundation**

[03.10.00]

SYLVIA MACDONALD:

Good afternoon everyone, it is a privilege to be here. I am sorry Dame Deirdre had to rush off quite so quickly, I really wanted to ask her about the vodka counteracting hay fever, I'd love to have been a guinea pig. Not that I suffer from hay fever but it would have been fun nevertheless. Miles, thank you and good afternoon everyone. Before I introduce everyone to the panel, let me just run through the format for this panel discussion. The purpose of this debate is to initiate a discussion around some of the key issues concerning the baking industry and to get a perspective from members of the panel who have joined me today. I am very pleased to have with me on the panel today Ian Bentley, who you have just heard, who has been heavily involved on the food side since 1988. Next to Ian on my far right is Andrew Wadge, chief scientist and head of food safety at the Food Standards Agency. On my immediate left is Joe Street, managing director of Fine Lady Bakeries, who I'm sure most of you know and next to Joe is Professor Robert Pickard, Director General at the British Nutrition Foundation. Gentleman, could I first thank you all for coming today to this bakery audience and may I say that after I've asked a question of the panel I will throw it out to you, the audience, and I do hope you will think of something to ask our panel. Please raise your hand and I'll get to you as quickly as possible. Just state your name and your company and there are some questions that I know some people are particularly au fait with a particular question itself and I will come to you. Thank you.

So to kick off can I ask each member of the panel to state their opinion on bread weights which the UK is almost alone in maintaining. Would you like to see them deregulated? What would be the impact, good or not good? Joe, perhaps you can start by defining the situation now and then answering.

JOE STREET:

The current situation on bread weights is that they are regulated within the UK, I'm sure most of you are aware actually but I guess there might be the odd

person who isn't but you can sell bread or related products under 300g on any weight, thereafter it is in multiples of 400 grams so 400, 800, 1200 etc, with 800g generally being seen as a standard loaf, so that's where that is. In terms of what is now happening in the European Parliament, I think there has been a second vote in the European Parliament which I think most recently voted for retention of national rules which would mean retention of nominal quantities in the UK. However the general view reflected, which has happened previously, it is likely to be rejected by the European Council and Commission who would probably see the directive as an important regulatory provision so it is likely unless there is any conciliation or coercing by the British government, and we don't believe at the moment that the UK government is likely to support a position to maintain regulation then it is likely to have non regulated bread rates in the future. I think that's the general position, okay?

SYLVIA:

Yes.

JOE:

In terms of my own personal position is I'm fairly ambivalent about it, to be honest, what will be will be. Having said that, if I wear the hat of my business and most of you will be aware that the business is owned by millers, then the probability is that the millers are concerned that the deregulation will inevitably or may lead – I shouldn't say inevitably – could lead to lower bread weights which in turn could lead to a reduction in flour consumption in the UK and that clearly is a concern I would suggest. History also suggests when people do things that create a bigger, lighter loaf, then I can refer back to – and one of the reasons I am on this panel is that I have been at it for 42 years sadly – is that I can remember Allied Bakers introducing a long loaf in 1976 which was four slices more in the same weight and bread sales went down by 10% overnight and so I think that is a fear that the millers have.

SYLVIA:

Thank you Joe. Ian, is it something you have a view on?

IAN BENTLEY:

We are not, we're like Joe, ambivalent about it, we're not hugely concerned either way. The aspect we would say really should be the determiner is the customer and what we should be doing is responding to what we're seeing the customer may be wanting. I suppose in some of the demographic changes there are smaller households now, people are eating more varied diets within the same family and therefore the extent to which perhaps one size fits all is starting to go away, so that could militate I think towards deregulation and enabling us to be selling products in pack sizes which customers want rather than something that has been dictated to them. I the only counterbalancing argument to that, put bluntly, we don't want to be conning people so if there were a sense that it was a bigger loaf but a lighter weight because there's

more air in it, I don't think that really is a direction for us to go in but I firmly believe that customers rumble those sorts of things quite quickly.

SYLVIA:

Thank you, Andrew?

ANDREW WADGE:

I think the FSA's position on this would be, picking up the conning point that Ian just mentioned, which is about making sure that consumers do actually get what they think they are going to get, so that is really the issue rather than the precise weight. So therefore if it says it is 400g then it really is 400g or 800g but we have no particular attachment to what I see as an historical issue. Actually it reminds me of something related to a completely different sector, the house brick, which is traditionally a nine inch and someone had this brilliant idea to create a twelve inch brick so you could then build houses a lot quicker. Actually it was a complete failure because the nine inch brick actually feels right and works right for the bricklayer, so I'm sure the tradition has some sense in it.

SYLVIA:

Professor, do you hold a view on the subject?

PROF. ROBERT PICKARD:

No, I don't think it is critical in nutritional terms. What does matter is that the consumer can rely on the weight of the product, the weight of the bread that's in the product and what really matters is the quality, the nutritional value that is within the product.

SYLVIA:

Can I throw it out to the audience? What do you think, should bread weights be deregulated? Does anyone have a view? Cristina from Allied Bakeries, what do you think?

CRISTINA RAMSAY – ALLIED TECHNICAL CENTRE:

The ABF position, which is mainly to support the deregulation of prescribed quantities, mainly because it allows a greater playing field for trading in Europe first of all. It also provides a greater consumer choice so giving, as Ian was mentioning, greater opportunity for listening to what the consumer actually wants and also it leads to the simplification of requirements outlined this morning by Deirdre Hutton, so generally speaking we are fairly supportive of deregulation.

SYLVIA:

Thank you. Does anyone feel passionately in favour of the status quo? [pause] Apparently not, or if you do you'd rather not say. Okay, let's move on to another topical issue, salt. Andrew, if I could ask you this first of all, I've been told – I don't know if it's true – that the FSA is setting up an experiment to

ascertain the necessary salt levels in bread. If so, how would such trials be carried out and what sort of outcome would the FSA be looking at? Recommendations or stronger?

ANDREW:

I'm not aware of any particular experiment that has actually been set up at the moment but I am aware that discussions have been taking place with I'm sure a number of people in the audience here, really trying to address the technical issues around reducing salt used in baking bread. I think there are particular technical problems about the high protein flours and it seems apparent that there is a need for research in this area to help in our overall goal of reducing salt intake, so if we can help by doing some research in this area then that is something that we may be able to do but clearly we need to do that in partnership with yourselves. In terms of the outcome that we are looking for it is absolutely clear, what we want is bread with lower levels of salt in it. Although the actual levels are quite low, because of the amount of bread that is eaten, I think it accounts for something like 17% of our salt intake so clearly on a population level it is still very, very important so this is an area that we very much encourage and try to find some further reductions to build on the good work that is already done.

SYLVIA:

Ian, do you have an angle on salt and bread?

IAN:

Well, we have been reducing the salt levels in our bread for some time now and I think the RDA daily amount is something like 6g which is not a lot of salt and I would say that bread is not the worst culprit by any means. There are a lot of other foods that when you start to get into it, and we've had to with the programme that we've embarked on, there are a heck of a lot of products that have very high salt levels in them. I do think there does come a threshold of some degree of flavour and taste which you need to be careful about because we don't support a world of utterly bland food, we want to do the right thing but we think first and foremost that food is a fantastic thing that should taste great and you should really enjoy eating it.

ANDREW:

Can I come back on that? I absolutely agree of course that food should be a great thing with fantastic taste but I think the taste issue is quite clear that that's a relative issue, that as salt levels come down your palate adjusts quite quickly to it so I think yes, it is quite easy to point to foods that contain higher levels of salt than bread but the point that I was making was because of the amount of consumption of bread, overall it contributes a significant proportion to our intake.

SYLVIA:

Professor, as a nutritionist, salt in bread, the levels – how do you feel?

PROF. PICKARD:

Well of course the industry has tried to reduce salt for quite a long time and the nice thing about salt is the taste sensation we get from salt is entirely relative. So what determines the taste is not what you have got on your tongue at the moment, it's what you had on your tongue recently that influences your perception of saltiness in food. So as long as a group of cognate foods or food companies move together with similarly related products to reduce salt then they should be able to take quite a lot of the salt out of the diet and achieve quite significant public health benefits. Clearly there will be food technological reasons for having salt present but the weakest argument is the taste argument provided there is co-ordinated withdrawal of the high levels of salt from the market place and here the Food Standards Agency amongst government departments and the Food and Drink Federation and the Bakers Federation have very specific roles to play here in co-ordinating the withdrawal of high levels of salt, it is possible, there is lots of capacity for removal and it will have a long term lasting health benefit if it is done carefully in a co-ordinated way.

SYLVIA:

Joe, as a plant baker?

JOE:

Quite clearly, from Dame Deirdre Hutton this morning, salt has been reduced in bread over the last five to ten years I believe. I think the target is 0.43g of sodium per 100g I think, I'm not quite sure if that is an average target or a maximum but I guess there is quite a lot of bread out there now that is well below 0.43g per 100g of sodium which is being used quite satisfactorily. I know from my business it is, we produce it all the year round and it is relatively straightforward to do so I am quite comfortable reducing salt. What I do concern myself about is the blandness of food against other foods and I do think that is the concern that to some extent prevents our industry from really beating the drum about it. There is a great concern that it becomes exceptionally bland and there is also concern of imported products that have higher salt levels and there is also a concern that not all industries are being treated the same, whether it be craft industry or in-store bakery or whatever, it is not necessarily all treated the same. That is a concern for our industry and bear in mind we are an industry that has a declining volume at the moment.

PROF. PICKARD:

There is lots of scope for using all sorts of different seasonings on the taste front as replacements for salt and biologically the most important thing is to remember that our ancestors were marine animals so salt is a fundamental part of our biochemistry and the first thing, when a person comes into hospital and are ill, almost the first thing that we do is give them salt and glucose because we regard those as incredibly important to the basic biochemistry of good health so it is important not to demonise constituents and ingredients such as salt which there is a tendency for campaigners to do and what we

have to do is find the middle way of reducing the capacity for unnecessarily salt in our diet but not demonising salt as if it were as poison because, as I say, without it you are extremely dead.

SYLVIA:

Joe, you mentioned the craft sector, do you think they are being kept up to scratch on this with the same focus of attention as the plant industry?

JOE:

I would doubt there is the same emphasis within the National Association of Master Bakers as there has been within the Federation of Bakers. I don't believe I have seen anything in their particular journals to suggest they are under the same pressure.

SYLVIA:

Well let's ask them in a moment but Andrew, the craft sector? Yes, Joe?

JOE:

I was just going to say, I do remember the day when we used to give people salt tablets in the bakeries in hot weather, I can quite clearly remember that and we used to actually put salt in orange juice for people to drink in the bakeries in hot weather.

SYLVIA:

Goodness!

JOE:

Just times have changed.

ANDREW:

I'm pleased I don't remember those days actually! I guess the question really relates to what are the controls or the pressures on the craft sector as opposed to the mainstream producers of bread and I guess our focus clearly has been on what will have the biggest impact at a population level and so that means getting agreement with the mainstream producers of bread. Having said that, I make two riders. One is that the very interesting talk that Ed Garner gave this morning pointed to the fact that the craft sector or the organic sector may actually be increasing and this may be an area that we may need to look at more in the future and the second is that it is important that people have information about what is in the food that is being produced so that if craft bakers are selling bread it is important that they are able to say how much salt is in that loaf for consumers. Often, as we saw in that list of factors that people are looking for, part of it is about environment but part of it is about healthy lifestyle and if you are buying a craft loaf because you think it's healthy but it is actually stuffed full of salt then that is clearly information that you as a consumer would want to know about.

SYLVIA:

If you have a view from the audience, please put your hand up but could Chris Dabner please raise his hand, he is from the Craft Association, I wonder if you could reply on behalf of the National Association of Master Bakers, Chris?

CHRIS DABNER;

I could, thank you for your comments. I think they are slightly misinformed and I think it would have been at least appropriate to have talked to the National Association before making your comments, However that said obviously there is a desire for some headlines. All I will say is that obviously the craft sector is well aware of all the publicity surrounding salt and salt levels, we have obviously discussed it with our members at great length, it is up to our members to decide exactly what the salt levels are in their bread. However I would refer you to a study by Hertfordshire Trading Standards who compared salt levels I think two to three years ago to salt levels I think about a year ago in craft bread and there was a decrease in the levels of salt. So I think you can say that the craft industry is co-operating with the aims of the Food Standards Agency in reducing the levels of salt in bread, our members are obviously co-operating as shown by this survey, if anybody wants to come and talk to us about this issue then obviously they are welcome to do so and we are quite happy to have a conversation with them.

SYLVIA:

Thank you Chris. I would like to move on to a rather wordy issue, corporate social responsibility and I am going to have to read this question out: corporate social responsibility, namely sustainability, climate change, food miles and ethical trading. We have seen Marks and Spencer make a stand about corporate social responsibility, other supermarkets too, but without a common approach aren't we just going to have the same chaos for plant bakers and food manufacturers that we've had over labelling, in other words GDA symbols for some, traffic lights for others, and not actually achieve what the consumer wants – meaningful progress towards sustainability, reduction in the impact of climate change. May I turn first to you please Ian.

IAN:

I think both points of view have some validity in this in that there has been confusion over traffic lights, front and back of pack. I think though we're at an early stage of this level of consciousness, if you like, and I think things will shake out, I think consumers will become better informed [break] ... dictate the kind of information that they want and we will respond to that so I think that the picture will clear. I hope so but I am confident that it will. Secondly, over the years I have seen many, many attempts to create industry standards, industry marks, quality assurance schemes of one sort or another. I think they can work but in my experience an awful lot of time is spend arguing the toss about what actually the rules and the regulations of adherence to the marks will be and that could be time which is better spent getting on with it and actually

improving the product, so I'm not convinced that the iron hand of lowest common denominator industry is always the best approach.

SYLVIA:

Thank you. Joe, corporate social responsibility?

JOE:

I think there has been a study done in fact about the carbon footprint for a loaf of bread in the not too distant past and I think it suggested that bread was in pretty good shape, I think we're there with bread, it doesn't bear the same carbon footprint as a lot of other products.

SYLVIA:

May I have your input?

PROF. PICKARD:

Crikey, this is a really big subject. I often say to companies, do you have a policy on corporate social responsibility and they say yes, and then I say what budget do you have and they say, oh we don't have a budget! So there is no doubt some companies pay lip service to corporate social responsibility and don't really plan it properly into their future. Corporate social responsibility is important because no industry can really afford to ignore the fact that it has the power to change our society and I think every individual does have a moral responsibility to look after their fellow man. There is a very nice line in John Donne's poem, "Any man's death diminishes me because I am involved in mankind." I don't think any individual working in any organisation can avoid that moral requirement. We all have children, we all have grandchildren and I'm quite certain that the food industry can deliver a healthy balanced diet and still make all the profits that it needs to do and still employ all the people that it does at the moment and still make a huge contribution to the future success and wealth of the world and our society in particular, so there is no reason why corporate social responsibility shouldn't be applied across the board and every element of a company should have some aspect of social responsibility built into that individual department's strategy.

With regard to climate change it is a bit of a different picture because there's no such thing as a free lunch. As our sun burns it reduces its mass therefore its gravitational field weakens and the sun is expanding, so it is only a matter of time before this entire planet is crisped to toast. So we have got to look at these big global changes in perspective. If you dig down into the bed of the Thames you will find fossil crocodiles. If you dig down into the rocks of Ruislip you will find fossil reindeer, so in the past there have been regular oscillations, these little perturbations of heating up and cooling down which have always occurred and there is still a huge debate in the scientific community about whether or not carbon dioxide emissions for example contribute to global warming or are they a result of global warming, because of the increased productivity of course that occurs in the plant community when the earth's

temperature rises even by a small quantity. So whilst we should guard against unnecessary waste, because the resources for life on this planet are very limited, the fact that we should go completely overboard in analysing everything that we do to achieve some rather theoretical in point, that's a very highly debatable point in science and I think there is a lot more deliberation going to be necessary before we get farmers in New Zealand creeping out in the middle of the night to reduce the methane emissions of their cattle or sheep.

SYLVIA:

Thank you Professor, that's certainly a new angle on toast. How does corporate social responsibility interweave with the aspirations of the Food Standards Agency, Andrew?

ANDREW:

I don't think I have any particular comment on corporate social responsibility for the baking industry itself but I think I'll make two comments, one in relation to sustainability and the other in relation to climate change. The Food Standards Agency is developing its policies on sustainability like other government departments and indeed yourselves and other sectors of the food industry and we see sustainability in two parts. One is making sure that the business that we run, our accommodation and travel and so forth is as sustainable as possible, but also we do have a requirement to consider sustainability as part of the process of developing policies. So that's really our approach to sustainability.

Climate change, with my chief scientists hat on, I am really interested – and I don't have any answers to this but I am really interested in issues around what will climate change mean for changes and challenges around food borne disease, for example will it change the situation, will it make things better, will it make things worse. I certainly think it is an area that we need to follow very, very carefully because it will have an impact, it will have an impact on the types of foods that we're eating and the types of disease vectors that could be transmitted.

SYLVIA:

Thank you. Any questions from the audience? Miles?

MILES WARNICK – BREAD BAKERIES DIVISION, PREMIER FOODS:

Yes, I just wanted to pick up on something the Professor said which is that companies that don't have a budget for corporate social responsibility, how can they be doing it? There isn't a budget in my organisation for food safety, but if you say to me are you passionate as an organisation about food safety, we are. So just because you don't have a headline budget doesn't mean to say that an organisation can't be focused on it. I will agree that you need somebody who takes responsibility for it, you need clear strategy and vision and you need clear KPIs that you are monitoring to see how you are

performing against it, but that is quite different from having an identifiable budget.

PROF. PICKARD:

Well I am pleased by that reassurance.

SYLVIA:

What about those who supply the baking industry? Are there suppliers who have a view on corporate social responsibility at all? No? Right, thank you, we'll move on. Can I ask each member of the panel now, what do you hope will be the outcome of the Competition Commission's investigation into the power of the supermarkets? As a rider to that, I would say has confidentiality been a major factor against some companies speaking out as any examples given may even unwittingly identify the supplier who might then fear being de-listed. May I start with you, Joe?

JOE:

Oh thank you, you're very kind! In terms of confidentiality, can I say that we don't see it as a problem at all. We haven't actually been asked to submit a response so we are quite happy with that. As far as the outcome of the Competition Commission, I suspect it ~~will be very similar to the outcome of the last Competition Commission, it won't be an awful lot in my view.~~

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Deleted: I just don't think it will mean diddly squat.

SYLVIA:

You're not very impressed, I can tell. [Laughter]

JOE:

I'm just astounded that they are doing it really. Food has never been so cheap so what are they investigating, I don't understand.

SYLVIA:

Professor, do you think there is anything there for the Commission to investigate?

PROF. PICKARD:

Yes, there sure is. We've had all sorts of imbalances along the food chain in terms of profit margins being passed down from retailers to the primary producers over the last few years. It is absolutely true that we have lived through fifty years in the United Kingdom of a golden age, an incredible abundance of high quality food at an incredibly low price relative to average earnings in the United Kingdom. The drive for getting price down at all cost because in the past price has been the main arbiter of food selection, there is eventually a consequence to that and monopolisation is an inevitable consequence if you always keep rewarding the group that produces a product at the lowest possible price but as we heard in the talks earlier today, because people have such a high disposable income on average in the United Kingdom now, they are not all making their purchasing decisions purely on price, that's

one thing. Second thing is, it is never a good idea to reduce the diversity of some biological system to a point where there are only half a dozen key players. Diversity actually creates stability in biological systems and the commercial marketplace is no different to any other biological system. So having a situation where one retailer can occupy a third of the market for example, that is extremely bad news in all ways that I can think of because we say to people that the best way to stay alive is to eat a little bit of everything and not too much of any one thing and one of the reasons for saying that is that you get your little bits of everything from many different sources. If you get everything from one source and that one source becomes contaminated or that source does something that you disagree with, for whatever reason, you're stuck with it and there is nothing you can do about it and its consequences will be disastrous. So it is never a good idea to reduce diversity to end up with just one or two elements in a particular functioning system and we've allowed that to happen and we've had to change that now to the point where we ask our producers to produce foods of high quality and reliable provenance with accurate information so that we can make, help influencing lifestyle decisions when we buy food and if we can do that, that is far more important than the actual price. The price has been driven too low in many cases to actually provide sustainability for the food chain that is behind the supply of the product.

SYLVIA:

Thank you Professor, an interesting viewpoint. Is it one that you share, Ian?

IAN:

In a way, yes, I would. First of all I think we are involved with the Competition Commission, we have been asked to submit but I don't think we are right at the heart of it so I don't think we can comment as being key players within it, but nonetheless, I think picking up from what the Professor was saying, I think it actually does go back a little bit to the CSR point, that actually it is the right thing to deal fairly with suppliers and we have managed to survive. We have about a 4% market share of the food market, we've survived, we're growing, we need to have products which are good value for the money that you pay but we're not the cheapest by any means and hopefully we are not on the verge of going out of business. We are proof if you like that you can survive and thrive within the environment that we have in the country today. But I think as things go forward, again the customer is becoming more and more educated, more and more sensitised and I don't think that the customer will put up with the abuse of people within the supply chain perhaps in the way that they have up to now through ignorance more than anything else.

SYLVIA:

Thank you. Andrew, do you expect anything worthwhile from the Competition Commission?

ANDREW:

I don't really have any comment on the Competition side of things actually, it is beyond our area of interest, but picking up Rob's point in terms of diversity of diet, I think what we have seen in this country over the last 20 years or so is a tremendous increase in the diversity of foods that are available now to the consumer so it is important that we continue to ensure that they get the information about how to make sure they have a balanced diet and once that's also healthy, that includes that diversity of different food types. I have no particular comment on the competition side.

PROF. PICKARD:

If I could just make a comment for farmers. There are some aspects of agriculture at the moment, where if you want to make a small fortune in farming, you are best to begin with a very large one! [Laughter]

SYLVIA:

Any questions from the audience?

MAN:

Just a follow up to the Professor's comment about size, I think he was referring to Tesco and its size as a third of grocery trading. I think the answer to that is not that something should be done or let's enquire on them because at the end of the day there is a danger of penalising success which I'm not totally comfortable with. What is actually happening, and I think it is healthy, is increased competition in the market because in fact – and I don't know if you realise this – currently Sainsbury's and Asda are showing faster percentage growth rates than Tesco and in fact in niche areas there is high growth rates for Marks and Spencer food and for Waitrose. So yes, Tesco is large and powerful but there is a market operating there and I always have a concern about enquiring into supermarkets because if you stop the average person in the street, they would probably talk about the National Health Service, taxation, council tax, transportation, quite a long list of things before they think we actually ought to start investigating the supermarkets.

SYLVIA:

Do you think there is nothing much for the Competition Commission to investigate?

MAN:

No, it's not that, it isn't that, I just don't think that that's kind of the answer. I don't know, I am a little bit cynical about these things because if you really say we should do something about Tesco, what do you? Penalise them and give the money to the DTI? I don't think so.

SYLVIA:

I should hope not! Ian, what do you want to see more from your bakery suppliers?

IAN:

I want to see more of a consciousness, willingness and openness to what it is that the customer is wanting. I would like the bakery industry to be supplying the answer to how would you remain half a step ahead of the customer. I think the bakery industry could – and I say this to any supplier group, you wouldn't say any different would you but actually should be more responsive and open to that. I think that parts of the bakery industry are hugely, heavily invested and therefore reluctant, and I can understand why but nevertheless are reluctant to move with the pace and speed which is required today I think from customers.

SYLVIA:

Joe, do you think you are half a step ahead?

JOE:

No, sadly, I don't think we are to be quite honest, no. We certainly have certain ideas which I can't share here, which I wouldn't wish to share with the general public I'm afraid. No, we're not half a step ahead. I'm not sure where the baking industry goes on NPD at the moment, a lot of work can be done, a lot of things have been tried. I think what goes around comes around and I've seen most of it. There are new things happening but it is very difficult to put a finger on what would be next.

SYLVIA:

Thank you.

JOHN TELLER – RANK HOVIS:

Recent research pointed to the UK being the third cheapest source of bread in the world or some frightening statistic like that and considering the dramatic cost increases in raw materials as we have already seen, not to mention the potential competition for things like wheat for food and fuel usages, a link to what we've heard today with regards to the consumer increasingly making choices on the grounds of health, provenance and [inaudible]. Does the panel believe that consumers are paying enough for bread and bakery products?

SYLVIA:

Joe, are we paying enough for bread?

JOE:

Probably not. [Laughter] I wonder when the research was done, if it is 18 months old it is 18 months out of date because bread prices in the UK, certainly in branded houses, have moved quite significantly in 18 months.

SYLVIA:

We're still cheaper than most of Europe.

JOE:

Okay, well we're more efficient than most of Europe is one thing I would suggest.

SYLVIA:

Do you think you pay enough for your bread Professor?

PROF. PICKARD:

I certainly am personally willing to pay more for my bread because I appreciate it as a staple food and as we saw in Jeya Henry's talk, the baking of bread going back to the times of the origin of arable farming along the banks of the Euphrates, you are talking about here something that is fundamental to human culture, the breaking of bread at a meal is fundamental to building up social intercourse and the fabric of our society, the fabric of family life is based on something as fundamental as bread being shared around a table. These are some of the values that we've been losing in our society and we're paying a high price in terms of social cohesion because we haven't hung on to some of these old values. The fact that this fundamentally staple product is as cheap as it is today tells me that we are remarkably affluent and we are taking for granted a supply of food over the last 50 years which is unsustainable. In 20 years time the world's population will be well on to having doubled and unless the human population is reduced by a viral disease, quite dramatically in pandemic terms, there is no doubt that two more turns of the wheel means that we won't be able to provide food at all to meet all the needs of the human population in 50 years time or 60 years time, so people need to realise that nature is not benign. We live in a hostile universe and if we want to plan for the future seriously for a sustainable future, we need to identify what is really important to our lives and protect it for the future and the way that we set up our pricing structure is really critical because it determines the investment in the industry, not just in the product itself but in the farming of the product. The more things we grow, the more we impoverish the soils. The greater the volume we handle, the more we impoverish the soils unnecessarily because we've seen in the obesity epidemic that we want people to eat less, not more, so all the pressure for more volume at lower price is the wrong way for a sustainable society. We should be looking at higher quality, at higher price and lower volume.

SYLVIA:

Should we indeed, Andrew?

ANDREW:

I think the role of a regulator is to step in where there is a mark of failure and I think that's our kind of philosophy for the Food Standards Agency and the food industry, that if there is a market failure then we need to step in and otherwise we are very much looking to big businesses to do what you do best and what we don't know about. Pricing is something that you know about and we don't know about.

SYLVIA:

Ian, answering John Teller's question, are your views akin to the Professor's?

IAN:

Well I think that Marks and Spencer's pay far too much for bread and I'd like to meet all of our suppliers immediately after this to discuss the price reductions which we're going to put through! [Laughter] I think the market determines what the right price of bread is. Two observations though, the fact that the £1 loaf can get in to all of the newspapers up and down the land indicates something about the sensitivity of the public to their expectations of the price of a loaf of bread. At the moment they are prepared to pay it, I'm not convinced that given a total economic climate that they will always be prepared to pay it so I think that is something we have to look out for. It is something that has been quite benign over the last couple of years and that has enabled much needed price rises to go through but that's the fact of it. Whether the public will take it in the future remains to be seen. I also think a little bit we have got only ourselves to blame because if we are going to sell loaves at 20p and well below the cost price, then you can't really moan if that creates an expectation in customer's minds about the price that they are ultimately going to pay.

SYLVIA:

Thank you. Any comments from our audience at all? I'll move on. Can you describe reheated bread as fresh? What do you think Joe?

JOE:

I think the word fresh is used in many places and for many things and many times – farm fresh eggs, fresh fish, fresh this, fresh that, fresh vegetables that come in from Zimbabwe or somewhere – so why not? Until somebody tells me what the term fresh means then why not?

SYLVIA:

So you are happy with it?

JOE:

It's fine by me. [Laughter]

SYLVIA:

Professor, is there a nutrition aspect to this? Reheated bread stales faster.

PROF. PICKARD:

Well there is a marketing aspect initially because fresh is a relative term and Shakespeare has a nice line in Hamlet where he says "there's nothing either good or bad but thinking makes it so". All relativity terms fall into that category, something is fresher than something else. In nutrition, heating tends to do a degree of damage to the nutrients present in a food and therefore any unnecessary re-heating is likely to have adverse effects nutritionally.

However, if you start off with a product that is absolutely loaded with nutrients then it can take some reduction, if it's necessary, because of other reasons – convenience, local preparation etc, to re-heat, but in manufacturing it is always a good idea to avoid re-heating unnecessarily because that will tend to reduce the nutritional value of a product. Whether it can genuinely be called fresh or not would depend entirely on the relativity. For some people it could be extremely fresh, if they are never going to be able to get something direct from the original baker.

SYLVIA:

Ian, Marks and Spencer's has a reputation for accuracy. I believe you actually changed the word less to fewer in one instance so is it fair to call reheated bread fresh?

IAN:

Well we don't and I suppose that's it. I'm not going to preach about what people should or shouldn't do but we don't, we think it could be misleading to our customers. We do call them in-store bakeries, they are a bake off operation so you can argue the semantics around that. I think in the end notwithstanding the nutritional aspects which the Professor mentioned of which I won't pretend to have any great knowledge, in the end it depends which is the bread which tastes best at the time that you're eating it. I think that is likely to be the real governing factor.

SYLVIA:

Andrew, focusing on the word standard, in Food Standards Agency, is it fair to describe re-heated bread as fresh?

ANDREW:

Well coming from a scientific background to food and grappling with issues such as the health effects of dioxins and things like that, I always thought that labelling was a very straightforward issue until I actually started to find out more about it and I have now changed my opinion on that hugely. I think it is a very complex area. We have guidance on this sort of issue and our guidance suggests that anything that is called fresh should relate to the immediacy of the product and so therefore re-heating something and calling it fresh in that interpretation might fall foul of Trades Descriptions Acts and so forth.

SYLVIA:

Do you think there might be any forthcoming legislation in that direction or recommendations?

ANDREW:

I think it is an area more for guidance and there is guidance out there but I'm not aware of any particular move for legislation in that area. I'm not sure there is really an appetite for that.

SYLVIA:

Jill Brooks-Lonican of the National Association of Master Bakers. Jill do you have a view on fresh bread? Do you think it's fair, Jill, to call re-heated bread fresh?

JILL:

I would hope, because I represent the small 'craft baker' that their bread is fresh and not reheated. We aim to sell it and eat it in the same day. If you mean reheated, you can toast it the next day, that's fine. If you want a more technical answer I'll give Chris Dabner.

CHRIS:

Well I think, Sylvia, how about me asking you the question, what's your view on it? I think that would be enlightening seeing as you represent at least one aspect of the, if you like ...

SYLVIA:

I believe in accurate descriptions.

CHRIS:

Right, what does that mean in terms of fresh and fresh bread?

SYLVIA:

Well, with an audience of bakers perhaps you would like to define fresh for us, Chris?

CHRIS:

There are very clever people, far cleverer than me, that have tried to define fresh and have failed. As Professor Pickard has said, fresh is a relative term. The FSA has tried to define fresh and had problems, I believe LACORS has also gone out and tried to define fresh. With such august people trying I don't think I would really wish to make comment and enter into the fray.

SYLVIA:

Thank you, any other comments? Let me move on. With wheat being used in biofuels and all the problems we have these days with drought and demand exceeding supply, are bread prices going to continue to rise and frankly when you look at the prices in Europe, should we worry if they do? Andrew?

ANDREW:

No comment on that.

IAN:

I think I have already mentioned, I think bread prices will rise but I think there will be a threshold and I think there will be potentially resistance to further price rises. The rise of the premium tier I think has been a good thing. We've enjoyed success from that as well but I do have a weather eye out to a change

in circumstance which could lead to resistance and start to have downward pressure on prices.

SYLVIA:

Are you concerned about the situation regarding wheat supply?

IAN:

Not at the moment. We're conscious of it, we're well advised by our suppliers around that I would say but speaking personally I am not yet convinced that the squeeze is going to be there. I may be wrong but I just want to see a bit more evidence before I come down on one side or the other.

SYLVIA:

Joe?

JOE:

With reference to wheat supply you should speak to Alex down from [NABIN] would be my suggestion. Yes, I do hope that bread prices rise, there's no question about that, it would certainly help us I guess and I do understand from our millers that they are endeavouring to contract certain volumes of wheat already for the future because they want to secure a supply. I do know that organic wheats have been contracted to ensure supply and it seems strange to me, and you were talking about carbon footprints just now, is that organic wheat is coming from Argentina which seems somewhat odd if people are concerned about the environment, but that's another matter. In terms of wheat supply, talk to Alex down there.

SYLVIA:

Alex, do you have any take on wheat supply at the moment?

ALEX WAUGH – NABIM:

Do you want the five minute answer or the hour long answer? [Laughter] I assume the former. There are a few things to say. When you are talking about style of grains of which wheat is one, on a global scale, we do have to think about this initially globally, as Robert was saying in his Malthusian moment, there is growing demand from population, just in overall terms, there is growing demand because the world's getting richer which means they are eating more meat which perversely means more grain is used overall, so that's going to happen and at the moment we do have a new demand from biofuels, again across the world. And it is quite big. This year about 100 million tons of grain will be used for biofuel around the world so those two things together are fundamental developments that are going to continue, that is going to be happening in the world therefore if grain prices are not to rise very much, then there has to be an increase in production, it has to happen. I am sure that it will happen but at least for the time being we are very, very close in terms of a balance of supply and demand. Stocks are relatively speaking at the lowest level they have been ever I think so that's there and consequently we are

delicately poised and the markets will respond dramatically to any shocks in terms of poor harvest or bad weather. The millers in the room will know that never a day goes by without grain markets jumping one way or the other depending on whether it is raining in one place or there is drought somewhere else. So it is quite exciting actually. My view would be, I don't know what it means for bread prices in the long run but that foods which have grains as a base, whereas in the past we have seen price deflation over time certainly in real terms, that is less likely to be so in future and we'll all have to get used to that idea. I don't think it will be an enormous shock because it will be quite a gradual thing, you won't notice it happening but I think that's the way it is likely to be in the next five to ten years with fluctuations as there always are from year to year.

SYLVIA:

Thank you.

PROF. PICKARD:

The only comment from the nutrition side would be, I'm sure there is capacity in the market, in the consumer market, to absorb price rises, some price rises in basics such as milk and bread so that the real matter of concern should really be directed at those aspect of government that have responsibility for communities and disadvantaged people within our society because they will be the ones who will be hit by a price rise in staple foods such as bread, so I think a price rise should be of concern to government and government should in a sense monitor it to ensure that the less advantaged in our society are in some way protected from price rises in basic fundamental foods but apart from that I think there is capacity to absorb a gradual price rise in milk and bread.

SYLVIA:

Staying with you Professor, we are seeing an increase, very much so, in seeded loaves, loaves with oats, what to you constitutes an extra healthy loaf? For example, Omega 3, are the levels included in bread actually relevant?

PROF. PICKARD:

They certainly can be relevant because there aren't enough oily fish in the sea to provide the long chain Omega-3 that we will be needing in thirty or forty years time, provided there is no decimation of population by war, disease and the usual methods used by human beings to control their population. It is a shame really, we shouldn't have been called homo sapiens, we should have been called homo ostrichio because there is nothing we like better than to stick our heads in the sand and not face the truth and we value entertainment more than anything else. We pay £30,000 a week to a football player who has no care for us individually at all and that's the same that we might pay to a nurse for a year who might save our lives, so although we are an intelligent creature we don't actually act intelligently. Our behaviour is driven by all other facets of emotion which are not related to intelligence. In the case of premium value breads, if you add a nut like brazil nut to a bread you disproportionately

increase its value to the consumer because one single brazil nut will provide all your selenium for the next month or two, just one brazil nut. So just by adding a small amount of brazil nuts you transform the nutrient value because of course all European soils are deficient in selenium, we have to get our selenium from places like North America or South America, where things have been grown. So you can give tremendous added value to a bread by adding a little bit of judiciously selected nuts or specific fruit. In the case of the Omega 3 story, people don't realise that the long chain Omega 3's that are so beneficial to our health, they reduce our susceptibility to heart attack and in elderly people they dramatically increase our ability to repair our brains, so they are fundamental to our needs, people don't realise that they are not made by oily fish, they are made by marine algae, they are then eaten by shrimps, then the oily fish eat the shrimps and the oils are concentrated up the food chain. One of the great things that is going to happen over the next probably 15 years is that there will be a transfer of the gene from the marine algae for producing long chain Omega 3s and they will be available then to put that gene into cereals or into broccoli or into asparagus because there is no doubt that that will actually be the only way of providing the human population requirement, the way things are going and it will be environmentally justifiable, it will be medically justifiable and maybe one of the first real acceptances of GMOs. So my fundamental answer is yes, you can enhance the quality of bread dramatically, you can provide a fantastic public service by doing it in the right way judiciously, at relatively little cost to the industry.

SYLVIA:

Fantastic public service. Andrew?

ANDREW:

I think as Rob said, it is a question of what dose you've got and whether you've got the short chain or the long chain. I think more generally the FSAs advice has always been to eat a balanced diet with plenty of starchy foods which clearly includes bread and some of the whole grain varieties as well, so I think that it is very unlikely that that message will change and that encapsulates the need for the grain and starch as part of a balance diet.

SYLVIA:

Ian, what demands are you making of your bread suppliers as regards to seeds and healthy additions?

IAN:

Yes, well on the seed front we are finding huge success with the introduction of products which have got seeds, stipulating the grains. We are starting to use spelt flour in one or two products and really, very much within the speciality range which I illustrated earlier, we are seeing very good success with those and actually we are seeing in the main our supply base being quite responsive to that.

SYLVIA:

And you are getting the prices?

IAN:

And we are getting the prices, yes. They could be cheaper but on this whole thing I'm afraid I am still one of the £30,000 bamboozled human beings rather than one of the others so I don't consider myself qualified to speak.

SYLVIA:

Joe, have you changed your range very much?

JOE:

Certainly there is an emphasis on healthier breads, there is no question about that or putting additives in to do the job properly and we, as it happens, have been quite involved with the Food Doctor brand which is now in a number of retailers and it is quite interesting to note the comments made by the gentleman from TNS this morning talking about products specific to women, there is actually a loaf for women there. The very fact that it doesn't actually sell very many is another matter but there is a loaf for women there. So there is some emphasis behind the healthier breads and as I say, look out for the Food Doctor brand. One point I would make to the Professor here is that we tend to be asked by our customers to operate in a nut free environment which does give us a degree of difficulty when it comes to some of the things we might like to put in bread and it is unfortunately a restriction.

SYLVIA:

There is a symbol from the Soil Association for organic. Would you like to see a symbol for whole grain products which is used in the States? I don't know if we can put it up on the screen at all but it is used very much in America and Professor Jeya Henry referred to whole grain this morning. Should that be used on breads at all?

ANDREW:

We have no particular plans to do that. I think if there are plans at an industry level to do that, then I think that is something that the sector would need to take forward but clearly you would need to make sure it is being operated in a way that provides consumers with information that is reliable and trustworthy, because I think that's the key point about these sorts of things, but we have no particular plans to introduce that.

SYLVIA:

Ian, have you seen that symbol before?

IAN:

No, I haven't, so I'm not going to deal with it. I support what Andrew says, I think that genuine information to the customer which is of use to them can't be a bad thing providing it isn't misleading and providing people don't take

advantage of it, so I don't know that one so I can't comment on that particularly.

PROF. PICKARD:

I think it would be a really good idea to have that sort of symbol about because as plant breeders have improved the productivity of commercial cereals like wheat for example, they have bred for bigger and bigger grains but in effect what they have been doing is increasing the starch store and that's been making the bigger grains. They haven't been increasing proportionately the wheat germ for example, which is the embryonic plant in the seed and they haven't been disproportionately increasing the outside, the aleurone on the outside of the grain and it is the wheat germ, the embryonic plant and the aleurone layer on the outside of the plant which contains all these vitamins and minerals which are so beneficial in whole grain and it is quite noticeable that the first vitamin which was ever fully documented, B1, was identified when people that were eating polished rice where the outer aleurone layer had been taken away in the preparation of the food were going down with huge deficiency disease particularly in Asia. They found that when they put the aleurone layer back, then of course they restored the vitamin intake to the individuals and of course they were perfectly fine. So when you eat whole grain you are getting not just the starch content of the grain which is largely an energy source but you are getting all the vitamins and minerals on the outside of the grain and in the embryonic plant, the so called germplasm. Also as you go closer to the ancestral plant which has had less interference by plant breeders, you will get a higher and higher proportion of vitamins and minerals to the total grain. That's why these little seeds which have been less developed in agricultural plant breeding are packed still with vitamins and minerals and so they do dramatically improve the nutritional value of a baked product, so adding in lots of these tiny little seeds is always a good indicator that you have probably got a high nutrient content relative to the starch content and that's a real benefit. So I think next to eating five fruit and vegetables a day message, next to that the eating of whole grain is one of the most important nutritional messages.

SYLVIA:

Staying with you, Professor, do you think we are teaching youngsters enough about nutrition?

PROF. PICKARD:

No, we're not, we're not preparing our children for citizenship, we're preparing them to pass examinations and we are really silly, it is another example of being a so-called intelligent creature and yet running our society in a totally non-intelligent way. Children at primary school level should be taught what food is, where it comes from, how to prepare it to make a meal and then they are in a better position to interpret food labels. What good is it increasing the amount of information we give on food labels if we don't educate our children to a level whereby they can understand what those labels mean. So in

anything that happens in terms of the presentation of food to the marketplace, where there is a public health agenda, it always has to be accompanied by an educational effort and we should be putting much more money into primary school education of children in terms of food, the food chain, preparation of meals and it is only recently that we have started to win the battle at the British Nutrition Foundation for example, of giving an entitlement now of schools to be able to teach more information about food and food preparation so the answer to your question really was no.

SYLVIA:

Andrew, do you agree with the Professor and if so, should you be lobbying more?

ANDREW:

Well we are not really a lobbying organisation but we certainly agree it is very, very important that children grow up knowing about food and where it comes from and how to prepare it, both in a way that is nutritious in terms of the meals that are produced but also in a way that is safe. We have worked very closely with the Department of Education to make sure that we provide them with information about standards for nutritional quality of foods, we provide information on our website about lunch box ideas for mums and dads who are filling up the lunch boxes. We have also got something which is very popular which is the school bus, the cooking bus, which goes around to schools and provides cooking lessons which covers both the nutritional aspects but also the food safety aspects so I think it is an area that has been neglected, it has been widely publicised on the television clearly in the Jamie Oliver campaign which publicised major problems and I think there has been a significant change in public opinion and political opinion in this area.

SYLVIA:

Do we still have a long way to go, Ian?

IAN:

I honestly have no knowledge of what the education is of young people around this subject so I am afraid I must check out.

SYLVIA:

Joe, would you like to see more education of young people?

JOE:

I think I share the views of my colleague on the bench here, I don't know what they teach them these days. [Laughter]

SYLVIA:

While we're on the subject of nutrition, folic acid is due to be debated, I believe, at board level by the FSA tomorrow. It has been suggested that folic acid be added to flour at the mills, if this turns out to be the case are there any

negatives at all or is it a good idea? Should it be added to white, or white and wholemeal, what should happen with regard to labelling? Professor, can I start with you?

PROF. PICKARD:

Yes, many of you in the industry will know that this has been a recurring chestnut for some time. In the 1990s, right at the beginning of the 1990s the scientific community appraised the public health value of fortifying flour with folate and the final consensus was that it would be a good idea and the benefits in terms of a public health measure significantly outweighed the disbenefits and that situation hasn't changed. Every three or four years, the major government advisory committee on nutrition, currently the Scientific Advisory Commission on Nutrition, has recommended to the appropriate government department that we should press on with fortifying with folate. There are several reasons why we should fortify. If a mother has an inadequate folate status, the baby will be unable to synthesise DNA effectively and as a consequence of that, the baby will be unable to build its body appropriately and the most dramatic manifestation of that is the baby being produced with spina bifida and hydrocephalacy. Since 10% of British women carry a mutation which makes it very difficult for them to efficiently recycle folate within their bodies, and those mums out there don't know whether they are in that 10% group, it is very important that we in a sense protect the unborn child by increasing the folate availability in a controlled way across the community. There will also be benefits to other individuals at other points in the population so the benefits are not just limited to the unborn child but that's where we have the absolute concrete evidence and we've had fortification of flour with folates in the United States now and Canada for six years and they have had some very consequences as a result of that policy. Because we haven't fortified with folate, many, many thousands of children have been born into suffering and disability since the early 1990s when we knew scientifically that this would be a good idea to put into action. So you will see all sorts of red herrings raised about the disbenefits of doing this but the proposal that the Scientific Advisory Committee on Nutrition has put to the Food Standards Agency for deliberation tomorrow takes into account all those possible disbenefits and offers a strategy for dealing with them which will be to the public benefit. It is incumbent upon the strong to defend the weak in an honest society, it is incumbent upon the informed to help the less well informed and there is nobody less well informed than an unborn child.

SYLVIA:

Thank you. Joe, should there be an element of choice?

JOE:

Well in the first instance, if there is going to be legislation on folic acid, folate or whatever, then it should be at source, it should be in flour. I don't think you can do it in bakeries and choose individual recipes relatively easily or simply, I don't think that is at all practical and I understand from various research that

has been done that the levels of folic acid present when you try to do it is by recipe in bakery is quite disparate, a lot of variation shall we say, it would have to be done by flour. I can only listen to what the scientific evidence is and understand what the Professor here on my left says and accept that if that's fact then it's fact and that is what we should do.

PROF. PICKARD:

I should just, before you move on Sylvia, add one critical point and that is that you need the folate to be in the mother's diet during the first month of pregnancy and most women don't know when that first month of pregnancy is going to occur, particularly the mums in the socially disadvantaged areas that are less well informed than some sectors of society and probably not monitoring their folate status at all. Their pregnancies may occur in their teenage years when they are following a very restricted diet which could be very unnatural and very unbalanced in terms of folate supply, so it is a preventative measure that is trying to help all unborn children without the mother having to be particularly well informed about the situation.

SYLVIA:

Thank you. I know we have one or two scientists in the audience. Stan, can we just come to you and say are there any negatives at all in adding folic acid and do you think it should be added to both white bread and brown? Stan, if you could just put your hand up please.

STANCAUVAIN - BAKETRAN:

Thank you Sylvia. I will talk to you later! I think Rob mentioned that there are negatives which people have proposed and I'm not sure how real they are in medical terms but one of the concerns expressed has always been the masking of vitamin deficiencies in older people and as somebody who is rapidly approaching that status, clearly I have a concern as to whether that is an issue for us in terms of a disadvantage. The other question I would just put back to you is one understands very clearly that it is the early stages of pregnancy and as you rightly say, most women don't know they are pregnant for several weeks, how can you be sure that putting it into bread will get enough folate into people who perhaps don't actually eat bread as part of their diet?

PROF. PICKARD:

You have raised several important points. Certainly the experience in the United States is that neural tube defect rates have gone down since the fortification process has been used and to me, neural tube defects are the tip of an iceberg because if they are being caused by the inability of the child to manufacture DNA it means in less optimal conditions of folate status there will be other damage being done which is not visible. If the child is born with a poor mental performance, it is assumed that it is genetically based in the child for example or some other factor, it is not identified as being consequent upon the diet of the mum or the capability of the mother to support the child

because if you can't make DNA how can you grow? It is the time of your life when you are most copying your DNA because you are copying virtually every cell continuously and if you can't make DNA you can't build your organs properly so the effects are very, very intrusive and difficult to identify but there is a logic to it with the evidence that we already have. In terms of B12 masking, it was argued at one point in the last round that if someone has a very high folate status but they are deficient in vitamin B12, then that deficiency would be masked initially because the high folate status is so important to the well being of a human being that they can actually put right abnormalities in their blood cells caused by B12 deficiency and therefore the B12 deficiency doesn't get diagnosed very early and subsequently the B12 deficiency will start to damage the nervous system so that was the basis of the masking effect because the first symptom of B12 deficiency is enlarged abnormal blood cells but folate is so useful to you that if you have got an abundant supply of folate you will correct that abnormality and so would ask the B12 deficiency. Now since that has been raised, I've spoken over the years to the leading representatives of all the medical professions and they know of no case where individual doctors, when questioned about this, were not aware of the ability of masking B12 deficiency if a person has a high folate status. By making the appropriate tests, a GP who is aware of that situation will be able to ask the right questions with the tests to differentiate between B12 deficiency or other deficiencies so there doesn't seem to be any substance to that query even though it has been raised many times. In terms of reaching people who don't eat bread, from a bakers perspective it seems a really good idea because it means that if you are a woman of child bearing age you ought to definitely eat bread if it is fortified with folate so it could dramatically increase your market place if there are people out there who are not eating bread but you are quite right, you can't guarantee you will reach everyone but if there was an appropriate educational programme and the Food Standards Agency is ideally placed to have an appropriate education programme running along with the fortification programme, it is ideally placed to encourage people who won't be eating the fortified flour products to then choose some specialist other sources of folate supply but the very important part of the programme that has been recommended by the Scientific Advisory Committee on Nutrition is that people be well informed so that they don't suddenly believe that folate is such a magical elixir, they should stuff their food with everything that contains extra folate and there is a strategy for reducing folate availability in other areas to make sure that we get the right balance in the population as a whole. We don't doubt the value of immunisation programmes for public health, to protect the defenceless and we shouldn't worry about this in principle. We should just begin slowly and cautiously, with everyone understanding the situation and having an appropriate education programme to go with it.

SYLVIA:

A comprehensive answer, thank you Professor. Andrew, I realise with a board meeting tomorrow there are certain things you can't comment on, but is there anything that you can comment on?

ANDREW:

Yes, just picking up the point about the consumption of bread, the interesting thing I think, unlike many other foods, is actually the data from the National Diet and Nutrition Survey shows that actually consumption of bread is even across all social classes so it is quite a unique position I think. I think Jeya Henry this morning passed a challenge on to predict the outcome of the board discussion tomorrow which as Chief Scientist, having a crystal ball is not part of my armoury so I won't try to predict the outcome of the discussion but I will say a few things. First of all the process is, as always with the Food Standards Agency, starts with the science and a very detailed analysis of what the science says. Secondly a consultation process which has been open and has gathered together a number of comments from consumer groups, the baking sectors, the millers and so forth, to an open discussion and the paper for those of you who are interested – and it is a very comprehensive paper setting out all of the information and the arguments, it is publicly available, it is on our website and you can download it and you can see the discussion tomorrow as it takes place in open session, again if you are in Nottingham you can go along but if not you can see it, it is webcast so I think the process is actually very interesting in that it typifies the way the Food Standards Agency tries to make things very open and transparent which means that even though some people clearly won't agree with the decisions that have been reached, at least we can see how that decision has been taken. The final point I would make, Sylvia, is that what the Board are doing tomorrow is deciding on what recommendation it wants to make to the Health Minister. The Health Minister asked for advice on this and the advice will then be going back to the Health Minister for England and to the Health Ministers in Scotland, Wales and Northern Ireland. They will need to then make the decision about whether fortification actually takes place based on the advice from the Food Standards Agency.

SYLVIA:

And will one of the questions you will be addressing be whether it is added to just white bread or also to whole grain bread?

ANDREW:

There are a whole range of arguments set out in the paper and a whole detailed set of issues, I don't particularly want to go into the detail of those but it will, as I say, those of you who are interested can read the paper and follow the discussion tomorrow.

SYLVIA:

Good, thank you. Ian, do you wish to comment?

IAN:

No, I take advice from my technical colleagues on matters like this.

SYLVIA:

It is time to almost draw to a close. I would just like to ask members of the panel, there has been a huge amount of changes in the baking industry over the last ten years, how do they see the next ten years? Joe, can we start with you?

JOE:

Well with anything like a bit of luck I'll see it from my armchair at home actually! [Laughter] In respect of the baking industry, I think it's a great industry, I've been in a long time and I do believe it is a great industry. I have respect for every element of the baking industry, whether it be craft or plant bakery, people work damned hard to do what they do. I think there is always going to be a place for very good craft businesses, I have no doubt about that in my mind and I could name a few of the sort that will inevitably survive providing their ownership is sound and sensible and understands what the consumer wants and businesses such as Waterfields and Coughlin and Birds and Aynsley's and so on, inevitably will have a good future, I've no doubt about that. I also think there are a number of niche bakery businesses that will always have a following while they are doing what they are doing there and again I'll name two examples, one is Slattery's in North Manchester and the other one is Weinholt's in Alderley Edge. I have known Weinholt's for many years and people may not appreciate it, it's a single shop business which only opens Thursday, Friday and Saturday but my golly, Weenholt makes a damn good living out of it and will continue to do so. I don't know if they still only open Thursday, Friday and Saturday but certainly up to a few years ago that's what they did ... [break in tape approx 20 seconds] ... unfortunately they got the wrong product or got the product wrong and that was the element that let that business down. It tried to create a very cheap product and it just didn't get it right but I do believe that ISPs will move gradually more and more to bake off. As regards plant bakers – you can see I've thought about this can't you – you have now got the emergence of three national brands and you also have an own label brand so you have effectively got four brands out there now. Historically we had three brands in 1976 and one unfortunately went out of business and that was when bakeries were far less full than they are today. If people think bakers have got capacity today, well we only used to work about 80 hours a week and thought we were working very hard. Nowadays you work 140 hours a week and say you have got plenty of time left to make more bread so I never quite follow that particular one. So I wonder if there are going to be three brands, and this is a personal view, that when somebody brings out a new product we immediately have a me-too followed by a me-too. I think if they bring out a product, that's their product and that has their brand name on it and has their signature on it and if somebody else brings out a product, that's their product and that way the brands will survive but I don't really see there

being three key core national brands plus own label in ten years time, I don't see how it will support that.

SYLVIA:

So are you talking about the Big C, consolidation? Do you see more consolidation in milling?

JOE:

There can't be much more consolidation in baking because there aren't many of us left really and so you would have to ask Mr Haygate that question because we are one of the few remaining. In terms of milling, I really don't know enough about milling, a lot will depend on whether ... there are a lot of family millers as I understand it and if the families stay milling then they will stay milling and there won't be consolidation. If they have no family to pass it on to, as has happened historically, then it will be absorbed into other milling business.

SYLVIA:

What changes have you seen in the last ten years and what do you predict for the next ten, Ian?

IAN:

I think Joe has pointed a lot to what's happened in the last ten years, you have seen the absolute commoditisation of plant bread and now you are seeing a swing in the opposite direction. I think that will continue but I think one of the biggest changes will be the customer demanding an ever greater knowledge of the provenance and supply chain for food in its entirety right the way through and I think because bread is such a staple product, it won't be immune to that kind of pressure and the industry will have to respond to that and I think that will bring a lot of challenges with it.

SYLVIA:

What are your hopes for the future, Andrew?

ANDREW:

Very low salt bread. [Laughter] You clearly expected me to say that but I think that the supply chain is very interesting and working with the Food Standards Agency, we do want to really get a better grip and understanding of the supply chain and the opportunities for things to go wrong, to get better intelligence and share that information so that we can try and prevent things going wrong in terms of the supply chain but then also when things do go wrong, which they will do, but I hope that we will continue to build a very fruitful relationship in terms of working together to ensure that incidents are managed in a way that minimises their impact but make sure that consumers are protected.

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SYLVIA:

Looking to the next ten years what are your hopes, Professor?

PROF. PICKARD:

So much to do. I think in the baking industry it is really a wonderful story, there are lots of tremendous opportunities because the food that you are producing is reaching everyone as Andrew has said. Hippocrates is the father of modern medicine and had a very important statement for everyone in the food industry because his bottom line therapeutic advice was, "let food be your medicine". That was fundamental. How many individuals can say that in the course of their daily working life they can dramatically improve the health and well being, and that means happiness, of millions of people? You can say that and that is a great thing, so it is a great industry to be in and there are some marvellous opportunities for enhancing the nutritional value of your products and winning the premiums that go with that enhancement whilst at the same time fulfilling what has always been your fundamental role and that is to provide the staff of life.

SYLVIA:

What an encouraging end to our conference. Ladies and gentlemen, could I ask you to put your hands together for the panel please.

[Applause]

Thank you.

**END**

[04.43.00]

93 minutes