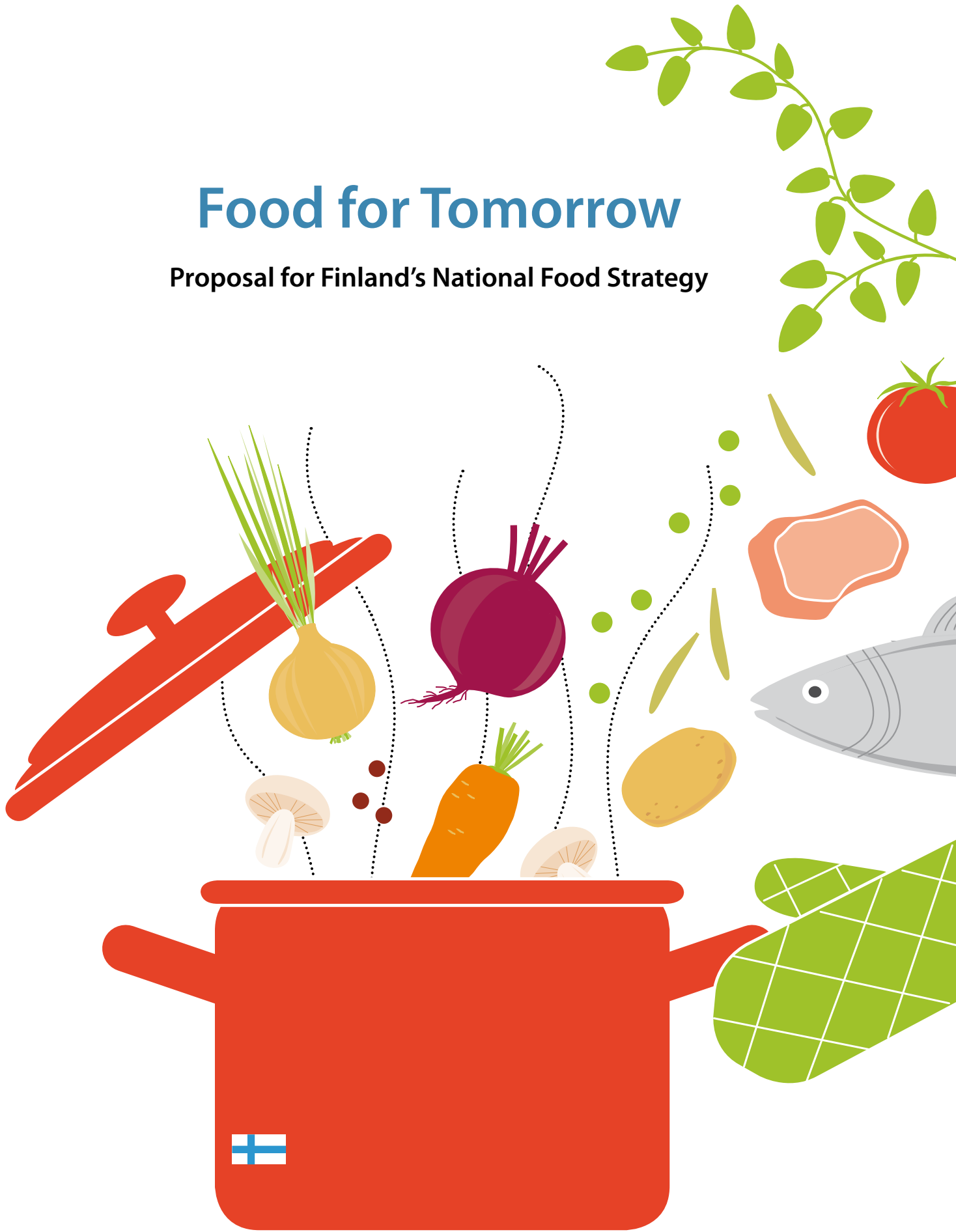


# Food for Tomorrow

Proposal for Finland's National Food Strategy



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## PREFACE



Preparing a National Food Strategy became topical in Finland for various reasons, including the increased fluctuations in the global supply of and demand for food, factors relating to climate change and growing need for bioenergy. Food and water are daily necessities for everyone. Each and every independent nation has the need to secure a sufficient supply of high-quality food for its population.

The question how to secure a sufficient supply of safe, tasty, wholesome and reasonably priced food which has been produced in a responsible manner to all Finnish consumers in all circumstances is very broad and challenging. What is important is to ensure that the operations of the food system from primary producers to industry, traders and institutional kitchens are profitable and competitive. Continuity is secured only if the activities are profitable.

The assignment to draw up a food strategy was both wide in scope and multi-dimensional. Within the time-frame available, the steering group had to focus on the most important variables. The steering group considers that as regards the whole food system the time span of the strategy should be extended to the year 2030. As regards the decisions to be made, the year 2020 given in the assignment is rather to be considered operative by nature.

Even if many of the megatrends are quite obvious, there is no way we can see all the challenges ahead. This is why the assessment and development of the food system, on the basis of the most recent information, should be an ongoing process. For this purpose, administrative structures which adapt to new circumstances are also needed.

The steering group has divided the report into two parts: the background material compiled on the basis of the work done by various experts and the document at hand, which contains the proposals for measures. At the end of March 2010 the steering group organised a seminar on Food for Tomorrow, with invited speakers from various fields and stakeholder groups. At the seminar we also heard a presentation on similar food strategy work done in the United Kingdom. Citizens' views concerning the future of food were surveyed by means of discussions on the internet.

The work of the steering group was collaborative and constructive, as also shown by our unanimous report. We wish to express our sincere thanks to the secretary of the steering group Kaisa Karttunen and the numerous experts which the steering group heard during the process.

The work of the steering group is now completed and we respectfully submit the report to the Minister of Agriculture and Forestry.

Helsinki 18 June 2010

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## Introduction

### Our vision on food for tomorrow is that:

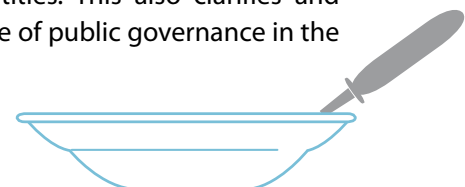
In 2030 the Finnish consumers eat tasty, wholesome, sustainably produced and safe food. Consumers have the ability to make informed choices. A transparent, highly skilled, flexible and internationally competitive food and service system responds to the demand. The growth and advancement of the sector find support in well-coordinated, high-level research and development.

### For this vision to come true we need:

- ❖ **Consumer orientation.** The competitiveness and future of the sector rest upon responding to the consumer needs. Differentiating consumer patterns and understanding the changing needs call for constant dialogue. For this we need new collaboration and partnerships among the consumers, traders, food and catering services, processors and primary producers. Various kinds of food-related services are the trend of the future. The taste of food and comprehensive sense of well-being derived from food are even more significant than before. Communication on various properties of food, including its origin and different dimensions of responsibility, is gaining in importance. What the consumers wish for is choices, further enhanced by the supply of organic and local food and specialities produced by SMEs.
- ❖ **A joint decision to turn the food sector into a growth sector.** The objective is that the value of Finnish food production including exports has doubled by 2030, which implies an annual growth objective of about 4 per cent. The growth is comprised of both the growth in exports and the shift to higher value added prod-

ucts. The growth is founded on agility as a specific advantage of a small country, abundant natural resources, water in particular, impacts of climate change in Finland and elsewhere and high-level expertise. Global competitiveness is not a matter of chance – it can only be obtained through top research, product development and marketing expertise.

- ❖ **More valuation to food and its makers.** The differentiation of the use of time and eating behaviour between the weekdays and weekends continues and the role of food and catering services is growing. It has been shown that interest in and information on food, its properties, origin and preparation lead to healthier eating. Early education and schools have a very important role in propagating food-related information and skills. The valuation of food also implies reserving time for peaceful eating, both at home and when using food and catering services, which is also clearly linked to the eating rhythm and, through this, weight control.
- ❖ **New management models for food policy and food-related issues.** The policies and various actions related to food, such as the implementation of this strategy, are coordinated more efficiently than before in state administration. In the future efforts should be made to manage larger entities so that policy sectors involved with food work together in the same direction and to attain the shared objectives. Instead of the fragmented development work and suboptimization, the resources are allocated to more comprehensive entities. This also clarifies and harmonises the role of public governance in the food system.



**FOOD FOR TOMORROW IS CONSTRUCTED UPON  
COOPERATION AND COMPETITIVENESS**





## Competitiveness derives from responding to consumer needs

**T**he competitiveness of the Finnish food system is founded on **understanding the consumers and their changing needs**, which calls for a change in thinking all through the food system. In the future food consumption is shifting from just satisfying hunger to a growing focus on a **comprehensive sense of well-being**. Food is going to be associated with being and doing things together, strive for well-being and personal fulfilment. Weekdays and weekends are going to differ even more clearly in terms of the time spent on food preparation and eating behaviour, but the **demand for good taste applies to weekdays and weekends alike**. The consumers expect that the food sold in stores and supermarkets meets the requirements concerning production ethics and responsibility. The differentiation of food consumption continues (elderly population, single person households, families with children, weekdays vs. weekends). Immigrants bring along their own food cultures and tastes.

Every Finnish citizen is a party to the food system as a consumer. All food raw material producers, processors, chefs and traders are also consumers. To understand the differentiating wishes we need efficient **communication among the actors in the food system** in order for the supply to satisfy the demand. We also need **new kinds of contacts and interfaces**. Some of the consumers seek direct contacts to food producers and processors, thus creating **new kinds of distribution channels**, for example, on the internet and reviving the traditional marketplaces.

**Communication on the content and qualities of the products must be readily understandable and transparent**. More attention should be directed to the product labels to find out whether they could be further standardised and to make sure that they contain the information that is important to the Finnish consumer. Unambiguous indication of the

**origin of products** is a high priority to the consumers. **Responsible** production and consumption is a competition factor of the future, which is why research is needed on developing the content of information on responsibility and its use (cf. Chapter 8). The different dimensions of responsibility – food safety, nutrition, occupational welfare, economic responsibility, environmental responsibility, animal welfare and local aspects must be considered on an equal standing for the labelling purposes.

**Consumption must be steered mainly through communication and education**. This ensures a constant development of the consumers' awareness and know-how. A secondary means, which involves certain complications as regards its fair and just practical implementation, is **taxation**, where **positive incentives** such as lower VAT on fruits, vegetables and berries should have the priority over sanctions (cf. Chapter 5).

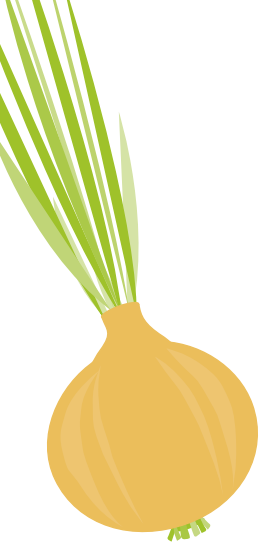
The consumers wish for **choice**, which poses a challenge to the production input industry, primary production, processing, food and catering services and trade to diversify their product ranges. Including organic, local and seasonal foods in the selection promotes differentiation. Even closer **cooperation** with the SMEs is needed to ensure a constant supply and overcome the logistics problems which may arise. The possibilities to differentiate the interpretation and application of administrative rules on the basis of e.g. the production volumes of enterprises, which are linked to the magnitude of the estimated risk, should be examined.



**Competition** in the food system means that the current situation and structures are not cemented, but new entrepreneurs, products and international actors are constantly entering the sector. **The productivity and profitability of the different parts of**

**the system depend largely on expertise and the competitiveness this creates.** A good price/quality ratio both in the raw material and finished products is the key to success.

OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
Operations in the food system are founded on consumers' needs. All actions are assessed and justified by their impacts on people's everyday lives.	<p>Sharing of expertise and information, networking.</p> <p>Continuous follow-up and analysis of weak signals anticipating changes in consumption.</p> <p>Combining products and services to ease the consumers' everyday lives.</p>	Food, service and trade enterprises in cooperation with research, product development and consumers.
Our food system is open and transparent. This is why the Finnish consumers rely on the functioning of the system.	Communication on food issues is open and the consumers have the opportunity to discuss, learn about and influence the activities of the sector.	Agriculture, processing, trade, food and catering services and consumers.
Package labelling serves the consumers' information needs.	<p>Developing the content of package labels.</p> <p>Developing the layout, harmonised symbols and standards for labelling. Improving the ability to read the labels.</p> <p>Taking advantage of new technologies.</p>	EU, food and social affairs and health administration, actors in the sector (industry, trade) and NGOs.
Incentives are used instead of sanctions in steering consumption.	Positive tax incentives are introduced for fish, vegetables, fruits and berries (cf. Chapter 5). Possible changes to taxation must be founded on well-justified nutrition recommendations and proven impacts of taxation. Domestic and foreign products must be treated equally in taxation.	Political decision-makers.
Our food system is able to compete on an equal standing with the systems of other countries.	<p>Finnish competition legislation and its interpretation are in line with the EU directives and the corresponding rules and regulations applied in other EU countries.</p> <p>The competitive position of Finland relative to other EU countries is not weakened by administrative regulation e.g. through the interpretation and application of food legislation.</p>	Food and competition administration.
EU countries are able to compete on an equal standing with the other countries of the world.	The high EU standards (including the environment and human rights) are taken into account in trade policy and the same standards are required for imported products as for EU products.	EU institutions responsible for trade policy.
SMEs are a recognised and valued part of the Finnish food system.	<p>The situation and needs of SMEs are taken into account in legislative preparation.</p> <p>Obstacles to SMEs' market access are removed.</p> <p>The advisory services for SMEs are evaluated and the necessary reforms are carried through.</p>	<p>Competition and food administration.</p> <p>Trade and SMEs jointly and within them.</p> <p>Food administration together with SMEs.</p>



## Top performance is based on top expertise and innovation

**T**he objective is that **the food sector is a sector of growth** in 2030. This is founded on **the natural strengths of Finland, such as abundant and pure soil and water resources as well as the farming conditions that are likely to improve as the climate change proceeds**. To achieve growth in the food sector we need trained professionals in all stages of the system – including education, research, advisory services, administration and NGOs – inputs in product development, care for natural resources and valuation of all the actors involved. A highly valued field **with a good reputation** attracts competent employees and investments. Planning of education aimed at employment in the sector is very important, and so is supplementary, conversion and further education. For assessing the need for education and the volume and type of education that should be offered we need an employment plan up until 2030.

In the global competition of the future, research and development work must aim for **even higher competitiveness** – by serving the export market such efforts also serve the Finnish consumers. According to international assessments, there is already top research in the Finnish food sector (nutrition research, food hygiene) but further inputs are needed to turn **research into innovations and, through these, products and services**. At present a disproportionately small share of funding by, for example, the Finnish Funding Agency for Technology and Innovation Tekes through both companies and research institutes is targeted to food research and development. R&D that is founded on understanding the consumer needs rests on **strong basic research**. The financing of research and development is too fragmented, resulting in small-scale projects which create an undue administrative burden for both the financers and implementers. What we need is **larger, comprehensive entities** which yield

better results and ensure more efficient use of the funds (cf. Chapter 8).

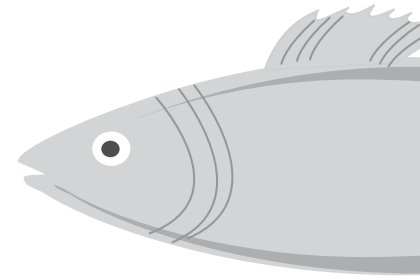
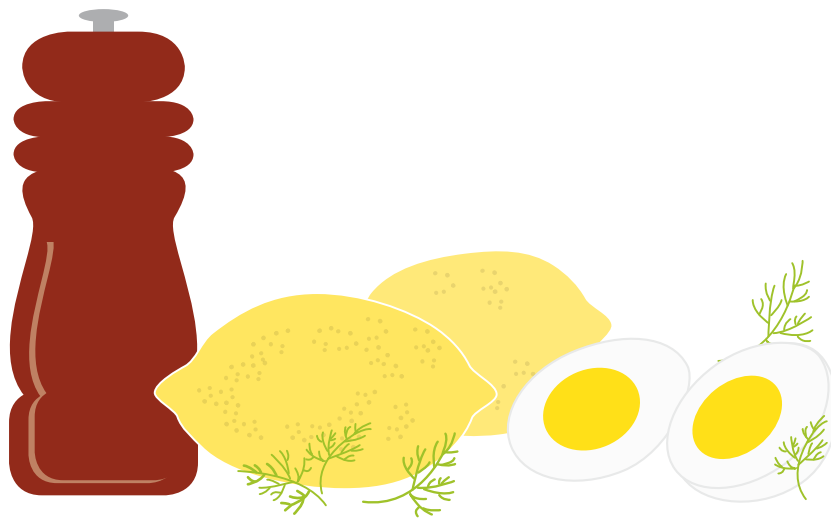
Another important aspect is to develop food-related **services and service chains** as the consumers' desire to find different kinds of services to ease their everyday lives is growing. The correct perspective to view food and related services is how friendly they are to the user – technical solutions alone are no guarantee of success.

Top-quality food can only be created by top expertise. Here it is important to also consider the **knowledge and expertise of the consumers, besides the competence of the traders, food and catering services, processors and producers**. Improving the consumers' expertise starts from day care and schools, i.e. from the meals offered there as well as domestic science education.

**New kind of knowledge and expertise** is needed all through the system in, for example, acquisition and use of information, networking, innovative product development, marketing and giving due attention to the different dimensions of responsible consumption and production. **Networking** is needed both between the different actors and stakeholders in Finland and internationally, such as **launching education cooperation between the Baltic Sea states**. To achieve relevant and consistent entities for the research, development and advisory work we need even better collaboration and coordination among the different authorities and actors.

**The recruitment of immigrants** to the food sector will be growing, and this must take place in an open and ethically sustainable manner. Those who come from abroad often need specific, customised education packages.





OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
<p><b>R&amp;D in the food system has consumer-oriented, jointly selected priority areas, with the aim to achieve top class in the world in the selected segments.</b></p> <p><b>Channelling of funds for the R&amp;D in the food system is coordinated better than now and the sector is better capable of utilising public innovation funds through e.g. Funding Agency for Technology and Innovation Tekes.</b></p>	<p>More efficient coordination between the basic and applied research and within them.</p> <p>Allocation of resources to key areas for which it is possible to establish targets that can be measured and indicators to be followed.</p> <p>Improving the possibilities of the whole sector and especially SMEs to take advantage of R&amp;D through e.g. networking and communication.</p>	<p>Education administration together with food administration and companies and associations in the sector.</p> <p>Funding Agency for Technology and Innovation Tekes and those responsible for the development of companies together with SMEs.</p>
<p><b>R&amp;D, education and advisory services respond to the needs of the future, also as regards business and marketing expertise, innovation and concept development.</b></p> <p><b>International activity is an integral element of the university education related to the food sector.</b></p>	<p>Assessment of the current state of and need for services from the perspective of the food system as a whole and its different parts, thus contributing to the synchronisation of activities within the system and their reconciliation with the other factors shaping the sector. Promoting innovative combination of food products and services into new concepts through education and cooperation between different actors. Reinforcing research, advisory services, education and product development focused on the future needs.</p> <p>Specification of the tasks of different actors and the division of labour between them.</p> <p>Study of the possibilities for joint university-level education programmes in the Baltic Sea region and the necessary action.</p>	<p>Food and industrial administration together with education administration and other actors in the food sector.</p> <p>Universities, research institutes, education administration and trade organisations.</p>
<p><b>There is enough labour for the different tasks in the sector and those interested in entering the field, including immigrants, find education that meets their expectations and the needs of the sector.</b></p>	<p>Enhancing the image of the food sector as a high-expertise field by improving the transparency and openness of the activity and creating dialogue and contacts.</p> <p>A comprehensive plan on the future needs for labour in the food system and, based on this, detailed plans for organising the necessary education.</p>	<p>All actors in the food system.</p> <p>Education, employment, industrial and agricultural administration together with associations in the sector.</p>



## Food system rests on the environment

**C**limate change **alters the cultivation zones** in Finland, thus influencing the production potential of food raw material. At the same time the **risks are growing**, especially those relating to plant protection. There is an urgent need for effective plant breeding, including the utilisation of genetic modification. **The sufficiency and quality of freshwater** will be crucial in the global bioeconomy of the future. An indicator for this purpose, **water footprint**, is being designed and will be introduced shortly. Imports from regions where water may be in short supply must be placed under critical scrutiny. Production sectors that need a lot of water, e.g. livestock production, benefit the most from our abundant water resources. Extensive land areas are also a major asset for livestock production. Our conditions for cultivating grasses for cattle are favourable. Grass rotation maintains the soil organic matter content and water permeability, which reduces the load on waters. Grass production turns the growing medium into a carbon sink, which is connected to the carbon footprint of farms and products.

The two main environmental trends related to the food system are the **global climate impact** and **nutrient loading of waters**. Defining climate impacts in the trade and processing chains is quite easy as greenhouse gas production mainly depends on energy use. In primary production the measuring and management of greenhouse gases is more difficult as emissions from livestock production and growing media cannot be estimated accurately enough and their follow-up is quite demanding. Most Finnish farms have forest, which as a carbon sink allows to compensate for emissions within the farm. Because of the crucial role of the climate, demands to the food chain and its increasingly global position, climate impact should be used as an **environmental quality factor**. Both EU and national standards

are developed for defining the carbon footprint. The **product-specific carbon footprint**, which can also be given in the product labelling, is the best one for assessing climate impacts. Horizontally, a **company-specific carbon footprint** can be used, which is also suited as the **measure of environmental responsibility of a farm** and criterion for support for environmental investments. Product-specific follow-up systems for environmental responsibility must be constructed so that each stage is responsible for the carbon footprint of its own product or action. National information systems for this are in place, but aspects relating to opportunities for competitive tendering should be included in them.

**Nutrient discharge in the food system mainly takes place in primary production.** The impact on waters, as well as the carbon footprint, becomes even more prominent in long production chains. Water protection programmes of agriculture have mainly focused on harmonised production input restrictions and environmental protection measures. The measures have been successful, but their effectiveness as regards the environmental impact has been difficult to prove. Because in Finland the loading of waters mainly concerns lakes and rivers as well as the Gulf of Finland and Gulf of Bothnia, the water protection measures of farms should be reconciled with the Water Framework Directive and objectives relating to improving the state of the Baltic Sea. This means that **the optimisation of the measures takes place on the level of both catchment areas and farms**, where environmental investments are supported under the environmental programme. Further R&D resources are needed for constructing the system on the farm level.

**Environmentally-friendly consumption** calls for further development of both early and adult edu-

education. Realistic environmental awareness and product assessment must be founded on solid basic knowledge and ability to critically look for and interpret the available information. Schools and the social media have a central position in this. Theoretical and empirical learning should be combined and **the food system should be used as a learning environment**. All food-related guidance must be attached to the total well-being of the consumer and the consumption environment. Good taste, nutrition and sustainable production must be combined. **Public food and catering services** have a central

position in the realisation of such an integrated perspective. One of the key instruments in this is the Government Resolution on promoting sustainable choices in public procurement. **Innovative action founded on local resources is an indispensable counterforce to the diminishing diversity in the food chain**. The utilisation of local and diverse resources is clearly linked to the sustainability of the local food security and diversity of the production environment. Such thinking finds support in local and seasonal foods.

OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
<b>Taking full advantage of the climate change situation.</b>	Developing production systems and competitiveness in accordance with the opportunities and threats created by the changes (e.g. through innovative plant breeding). In development priority is given to the geographical location and flexibility of production. Abundant freshwater resources are turned into a competition factor (water footprint) and export promoter.	R&D actors are responsible for the development, food chain for the implementation, administration for the preconditions and follow-up. Support schemes function as flexible facilitators and target environmental support to investments that improve environmental responsibility. R&D organisations and companies in the food chain are responsible for the introduction of the water footprint.
<b>Mitigation of climate change.</b>	Stronger integration of the environment and climate dimension in the EU agricultural policy; Finland is active in ensuring a comprehensive view (from farm all through the food chain). Introduction of product-specific climate change indicators, also as part of the responsibility requirements and international competitiveness.	R&D actors and administration are responsible for the basic development, food chain for the definition and standardisation of the indicators in international cooperation. Each stage in the chain is owns its own information and is responsible for it; introduction of farm-specific environmental management systems and product-specific indicators based on lifecycle analysis.
<b>Reducing nutrient load on waters.</b>	Introduction of farm-specific water protection measures which take account of the implementation of the water framework directive, thus providing a farm-specific indicator of the total loading.	Administration sees to the implementation of the Water Framework Directive, R&D actors and advisory organisations for the instructions for farm-specific programme; farm-specific implementation of the programmes. Each actor in the chain is responsible for company-specific and possible product-specific determination of the loading and owns its own information relating to measuring the loading.
<b>Promoting/implementing environmentally-friendly consumption in Finland.</b>	Integration of environmental responsibility into the national food strategy and the subsequent municipal and sub-regional food-welfare strategies. Environmental responsibility introduced as a central element in the requirements for public food and catering services. Developing food-related environmental responsibility in education and public communication.  Minimising waste flows in the whole chain, because preventing food loss is 10 times more efficient as regards the environment than the treatment of food waste.	A joint body of ministries steers the implementation of the food strategy, municipal and sub-regional nutrition and welfare strategies complement the national strategy. Municipal collaborative organisations and companies are responsible for the guidance and implementation of public services. Education and adult education system is responsible for the construction of environmental awareness.



## Good meals and interest in food the foundation for healthy eating

**F**uture trends that may be a threat as regards nutrition and health effects include lack of skills and shortage of time for food preparation, decrease in regular, shared meals, increased snacking, and growing use of food and drinks with a high sugar content and alcohol. **These changes in the diet partly explain the increase in obesity and lifestyle-related diseases. Preventing obesity is central in the health vision** of the future. Obesity is a complex issue, which is why the preventive measures should also focus on healthy eating behaviour in a comprehensive way.

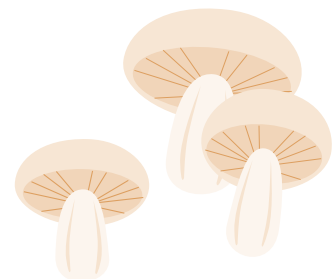
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One growing nutrition problem is the decrease in food preparation and regular meals. These have been substituted by **increased snacking, fast food and use of prepared dishes**, which alienate the population from food, its origin and preparation. **Interest in a healthy diet requires interest in food and culinary culture in general.** Directing attention to food properties other than healthiness also contributes to healthier eating.

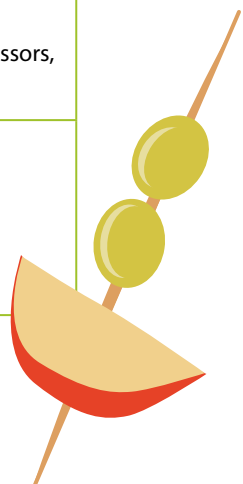
Each day the food and catering services of day care centres, education establishments, places of work and hospitals serve 75% of the Finns, which means that they have a major role in both nutrition and education. In the future it is important to **secure and further improve the quality of public catering**, as well as to ensure that the food offered is also being consumed. School meals, for example, are becoming less popular. **Changes in the rhythm of life have also confused the traditional meal patterns**, thus giving room for increased snacking. Stopping and reversing this trend is indispensable to secure a solid basis for a healthy diet. Measures that encourage to regular and peaceful meals and improving the organoleptic and nutritional quality of food in public catering are needed.

In Finland the nutrition recommendations are not being met in all respects, and especially in the **consumption of vegetables, fruits and berries we are well below the recommended levels** and our position in the European comparison is quite weak. When assessing the health effects of the diet there are few issues on which people are as unanimous as they are on a diversified and abundant intake of vegetables. Policy actions to increase their use have already been launched in Finland, targeted to the children and young people, for example. **The target for the future must be more abundant, diverse and tasty vegetable consumption for the whole population.**

Finland has a strong tradition in health communication and, **compared with the rest of Europe, the Finns are highly interested in the health effect of the diet.** Now more and more of the communication takes place in the web, demands for interaction are growing and special diets are increasingly common, but public communication has not responded to the growing interest in healthy eating options. As a result **the public nutrition communication has lost some of its credibility and effectiveness.** Today the communication is divided between the public institutions and the varied areas of interests in the third sector so that there is no single comprehensive source of information on food. In the future we need a **responsible party focused on food communication which provides information on the health, responsibility and environmental impacts of food in a topical and interactive manner.**



OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
<p><b>Increasing the interest in and valuation of the origin of food and food preparation.</b></p>	<p>Increase in domestic science and health education and stronger integration of their content to all school activities; domestic science education started in primary school.</p> <p>Integration of food education in the teacher education and inclusion of school meals in teachers' work.</p> <p>Adding teaching that increases valuation of and interest in food and culinary culture to curricula in early and basic education.</p> <p>Activating day care and school children to participate in the preparation of school meals; where possible, the children take the food by themselves.</p> <p>Reinforcing the labelling of food to show origin and production method and its transparency.</p> <p>Reinforcing local foods as part of public food and catering services -&gt; valuation of local and seasonal food.</p>	<p>Education administration.</p> <p>Education administration.</p> <p>Education administration, municipalities, NGOs.</p> <p>Food and education administration, municipalities.</p> <p>EU and food administration together with the production chain.</p> <p>Municipalities, local producers and processors.</p>
<p><b>Encouraging to regular meal rhythm and peaceful and social meal situations.</b></p>	<p>Ensuring the realisation of organoleptic and nutritional quality of food in Finland, especially in day care and school meals and meals for the elderly.</p> <p>Improving the quality and financing of school meals with the aim to increase the number of students who eat the food offered.</p> <p>Ensuring appropriate timing of meals at day care, schools, hospitals, and homes for the elderly. Snacks provided at schools during long schooldays.</p>	<p>Social and health administration, education administration and municipalities.</p>
<p><b>Increasing the consumption of vegetables, fruit and berries.</b></p>	<p>Using price policy solutions to lower the consumer prices of vegetables and improve the access of those of limited means to them (cf. Chapter 2).</p> <p>Offering a daily fruit as part of snacks in early and basic education.</p> <p>Promoting the sales of vegetables, fruit and berries.</p>	<p>Political decision-makers, tax administration.</p> <p>Food and education administration, municipalities.</p> <p>Food administration, producers, processors, traders, NGOs.</p>
<p><b>Centralised provision of nutrition information and information on the origin and production method of food, coordinated by the public sector.</b></p>	<p>Creating a service which actively and on a daily basis produces information and content on the matter and engages in dialogue with the citizens.</p>	<p>Social, health and food administration jointly.</p> <p>Practical implementation outsourced.</p>





## Need for effective agricultural policy also in the future

**T**he movement of food and its raw materials across the national borders continues to grow in the future. **To respond to the growing imports Finland needs to offer high value-added export goods.** Without competitiveness the Finnish food production and industry cannot survive. This involves, among other things, **the ability to respond to consumers' needs and wishes by appropriately priced, high-quality and safe products.** This calls for a thorough understanding of the market, both in Finland and in the export countries. Competitiveness in turn requires that the Finnish actors in the food chain operate under the same preconditions as their foreign competitors.

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**The EU is preparing to review its agricultural policy** for the next financial framework period 2014-2020. The common agricultural policy of the EU will be retained. The numerous factors of uncertainty relating to the world's food production, functioning of the single market and the desire of the European consumers to eat safe and high-quality food are among the reasons why decisions on the EU agricultural policy will continue to be made at the Community level. **It is also important that the EU ensures sufficient funding for the agricultural policy, also in the future.** Without sufficient financial resources the preconditions for farming, especially in regions with adverse production conditions such as Finland will cease to exist. The basic objectives set for the EU agricultural policy (*improving the productivity of agriculture, ensuring a fair income level to the agricultural population, stabilising the market, ensuring food supplies and reasonable consumer prices for food*), written down in the EC Treaty and ratified by the Lisbon Treaty in 2009, remain important in the future. Global changes and challenges faced by agriculture set further objectives for agriculture, but the basic objectives are still topical and valid.

**In the global perspective the EU is a major food importer and exporter.** The best way of contributing to maintaining stability on the global food market and preventing various kinds of food crises is by maintaining a balanced and functioning market within the Community. The EU must take care of its own food production and make a significant contribution to maintaining the global food security. **Improving the productivity of agriculture is an important policy objective.** In the Finnish agriculture the productivity can be improved especially through structural development, new investments and technologies and expertise, as well as by securing the availability of labour for agriculture. In the future we also need new kinds of risk management mechanisms to balance exceptional fluctuations in production volumes and prices.

Future agricultural policy must take care of the **maintenance and further improvement of food safety.** It must also **prevent the spread of animal and plant diseases and see to the welfare of the production animals.** Higher standards than in the rest of the world mean higher costs to the European producers. In the EU agricultural policy instruments are needed to balance the competitive situation between the EU and other countries. At the same time the EU must be active in e.g. the WTO contexts so that the European criteria relating to responsibility are also introduced and applied in the other countries and the food imports to the EU meet the same criteria and standards as foodstuffs produced in the EU. **Environmental considerations and the recycling of nutrients** are increasingly important. For the most part Finland should stick to following the common EU rules and regulations on food safety, and their guidelines, application and control must be fully harmonised across the EU. One exception to this is salmonella, where it is well justified for Finland to have a control programme of its own.

For Finnish agriculture it is particularly important that **systems continue to be included in the EU agricultural policy which allow to balance the disparities caused by natural conditions within the EU.** Because of our northern location the current plant production technologies cannot achieve similar yields per hectare as in countries where the growing season is longer. Differences in natural conditions are reflected as lower yield levels and higher unit costs. This remains the case during the period concerned, when the impacts of climate change are only starting to show in the production conditions.

**In the long term the position of Finland in Europe as a farming region is going to get stronger.** In livestock production the costs are higher basically due to the same factors as in plant production, i.e. the short pasture season and long, cold winter. Additional costs are due to the sparse population and long distances. Because of the high cost level **it is very important for Finland to include elements that encourage to high expertise and continuation of the production in the future agricultural policy as well.**

OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
<p><b>The EU has a common agricultural policy in 2014-2020 and beyond. Operating conditions of Finnish agriculture are secured in the common agricultural policy framework.</b></p>	<p>Finland makes active efforts to:</p> <ul style="list-style-type: none"> <li>a. preserve a strong common agricultural policy with sufficient funding in the EU</li> <li>b. preserve policy instruments in the EU agricultural policy that balance differences in natural conditions and encourage to high-quality production (LFA support, national support systems)</li> <li>c. take the high production standards of the EU into account in world trade policy.</li> </ul>	<p>Political decision-makers in Finland, agricultural administration, authorities responsible for trade policy and EU institutions.</p>
<p><b>Improving expertise in agriculture.</b></p>	<p>Revision of the structures of education, research and advisory services and demand- and market-oriented targeting of resources.</p> <p>Ensuring the basic conditions for access to education, research and advisory services in the whole country e.g. by searching for new models for service production (e.g. product development services).</p>	<p>Research and education administration, agricultural administration, authorities responsible for the development of enterprises, actors in research, education and advisory services, agriculture industry.</p>
<p><b>Improving productivity in Finnish agriculture.</b></p>	<p>Implementing the necessary agricultural investments and introducing new technologies, which also requires active structural policy of agriculture and related financing.</p> <p>Ensuring the availability of skilled labour in agriculture.</p> <p>Improving the possibilities for the reorganisation of arable areas and land improvement.</p>	<p>Agricultural and employment administration, agricultural financing organisations, agriculture sector.</p> <p>Employment, education and agricultural administration.</p> <p>Agricultural administration, agriculture industry.</p>
<p><b>Taking account of the principles of sustainable development in agricultural production to respond to the water protection objective and climate change mitigation and adaptation.</b></p>	<p>Planning and implementation of efficient agri-environmental programmes that encourage to sustainable production and highlight competitiveness founded on a comparative natural resource advantage.</p>	<p>EU institutions, agricultural and environmental administration, agriculture industry together with research, education and advisory services.</p>



## Food security and emergency supply

**I**n view of the great challenges and uncertainty relating to global food security, considerable emphasis needs to be given to the security perspectives and emergency supply in the future food policy of the EU. **Access to food** is a fundamental objective of the EU, which is why carefully planned preparedness is needed to ensure the functioning of the whole food sector, with due account for various kinds of serious disturbances.

**Food security** has been achieved in Finland as we have enough food to meet the needs of all Finns and the people have the money and means to buy the food they need. Emergency supply arrangements are in place to ensure that there is enough food in view of exceptional circumstances as well. Global changes in the consumption and production and instability of the market increase the need to ensure sufficient food supplies for all citizens at all times. The objective of the state-governed **emergency supply system** is to maintain the security and livelihoods of the population and functioning of the society in case of serious disturbances and exceptional circumstances. In the food sector **the emergency supply is based on a competitive domestic food economy**, including sufficient and competitive domestic agriculture. Industrial policies cannot, however, be based on maintaining emergency supplies alone.

Besides functioning agriculture, processing industry and trade we need to ensure the functioning of infrastructure and communications and continuous supply of energy, water and various kinds of services, as well as the availability of skilled labour in all stages of the chain. **Food production chains are dependent on international trade**, even if our self-sufficiency in many raw materials is high. A significant share of the inputs, machinery and implements needed in the food chain are imported. We need

**close linkages to the world market** and collaboration with more than one supplier. The current **dependence on feed protein imports can be reduced** by increasing the domestic production, which also allows even better salmonella control and more efficient crop rotation.

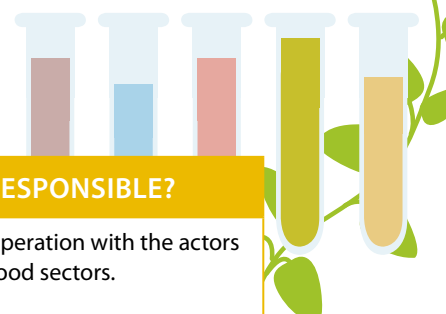
To ensure food security a **strategic emergency stock of food cereals sufficient to cover one year's need** is kept. Storage arrangements have been made to secure the availability of ammonia for fertilisers and other critical production inputs. The National Emergency Supply Agency also supports the strategically important elements of domestic plant breeding and seed production to ensure the supply of good plant propagation material. All this means that **emergency supply requires partnership and distribution of labour between the public and private sector**, which works very well in Finland.

**Domestic plant breeding must be developed** because this is the only place where varieties that are suited to the Finnish conditions are bred. Biotechnology is an important tool in plant breeding. The biotechnology of the 2030s is not the same as today because the research is advancing rapidly. Public funding should be made available to biotechnology expertise, including gene technology research to ensure that the achievements are not owned by few international companies and the openness and transparency of research in the field. Climate change may create a need for rapid adaptation to changing conditions, and **biotechnology makes it possible to accelerate the breeding processes**. Both breeding work and the approval procedures of new varieties are slow, which is why we need to get started right away. The principle "**freedom to choose, right to know**" applies to the use of GM varieties and products made from these. The possibility for GM-free production must be ensured for those who wish to

choose this option. Sufficient **scientific expertise** must be ensured on both the EU and national level to be able to fully assess the impacts of gene technologies.

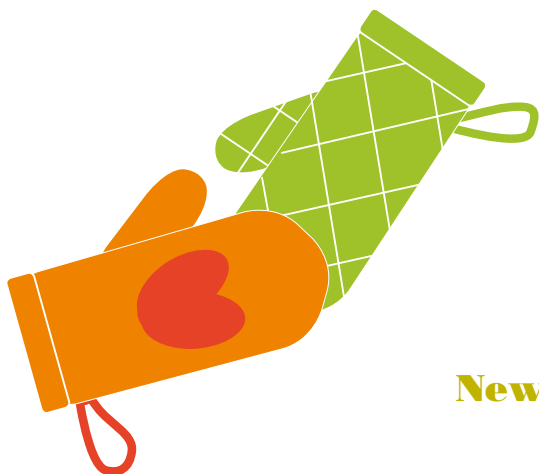
Because food security and emergency supply are based on domestic production, processing and

trade, on the one hand, and on international trade, imported inputs and ensuring their supply, on the other, **it is not possible to define a lifecycle or product-specific self-sufficiency or share of domestic production that would guarantee food security in all circumstances.**



OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
<p><b>Preconditions for competitive domestic food economy as the foundation of food security and emergency supply are in place. The food system is adaptive and anticipatory as well as capable of adjusting its operations according to changes in the operating environment.</b></p>	<p>Promoting agricultural and food policies which create the conditions for profitable activity on farms and in processing enterprises.</p> <p>Rural policy is also needed to maintain operating conditions, e.g. infrastructure and services, in the countryside.</p>	<p>Public sector in cooperation with the actors in agriculture and food sectors.</p>
<p><b>Finland has a functioning food security and emergency supply organisation that is founded on cooperation and partnership of the private and public sector.</b></p>	<p>Maintaining the current system for collecting funds to cover the costs of emergency supplies.</p> <p>Study of possibilities for further decentralisation of storage.</p> <p>Besides the national level, regional food security and emergency supplies are also examined.</p>	<p>Legislation is the responsibility of the Ministry of Employment and the Economy, responsibility for implementation divided between the Emergency Supply Agency and different ministries as well as trade, industry and primary production.</p>
<p><b>Domestic plant breeding produces plant varieties that are suited to changing conditions and requirements.</b></p>	<p>Sufficient funding is ensured for plant breeding and the activities are steered to anticipate future needs.</p> <p>Possibilities to use the necessary methods, including biotechnology, in research and breeding are ensured.</p>	<p>Agricultural administration, organisations engaged in research and practical work on plant breeding.</p>
<p><b>Feed protein self-sufficiency has been raised from the present 15% to 50%.</b></p>	<p>Targeting of research, product development and advisory services.</p> <p>Ensuring the necessary investments in e.g. bioenergy.</p> <p>Promoting discussion within the chain on the opportunities and obstacles and search for solutions to these.</p>	<p>In case of funding the Ministry of Finance, agricultural and energy administration together with research, advisory services, input suppliers and primary production.</p> <p>EU institutions, agricultural and environmental administration, agriculture industry together with research, education and advisory services.</p>
<p><b>Dependence on imported energy on farms has been reduced by 50%.</b></p>	<p>Continuation and further development of ongoing farm energy programmes.</p> <p>The real possibilities for biofuel production are studied and the necessary decisions are made.</p> <p>Efficient recycling of nutrients while maintaining a high level of food safety.</p>	<p>In case of funding the Ministry of Finance, energy and agricultural administration together with research, advisory services, input suppliers and primary production.</p>





## New openings for collaboration within the food system

The operating environment of Finnish food system has the advantage of being **small in scale**, which creates very natural conditions for collaborations as **the actors basically know each other**. Yet, it is also necessary to examine the position of the different actors in the system and their negotiation power relative to each other.

18 Collaboration derives from the obvious linkages between agriculture and processing and input industries, as well as the link between the traders and consumer. Competition legislation provides the statutory framework for the collaboration. **Responsibility for competitiveness rests with the companies themselves, but the authorities should not impose any stricter requirements or interpretations than those set by the EU legislation.** The special problems of SMEs are recognised and special arrangements can be made for them relating to e.g. the targeting of support and development of supply and distribution systems. The possibility to have **an agent or service point specifically for advising and managing the affairs of SMEs in the food sector** should be considered.

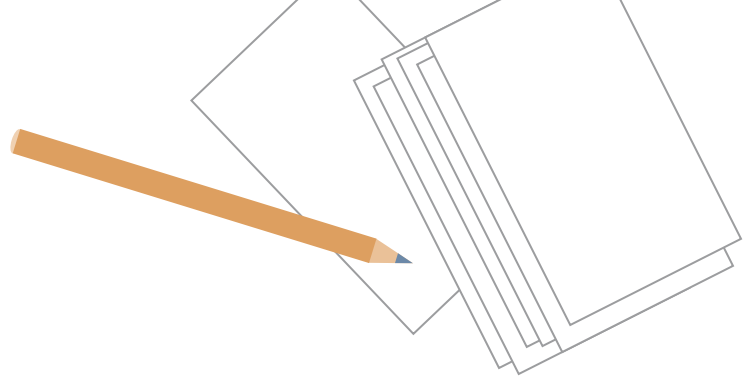
**Dialogue within the food system should be increased.** Many consumers have become distanced from the production of food and how it ends up on their plates. Public discussion and the media often focus on problems and future threats. Matters to be considered jointly in the food system include how better mutual discussion contacts could be achieved between the different parts of the system, including consumers, and how the broken contacts between the food and consumers could be restored. **Trust between the different parts of the food system and within them is vital** in order to be able to agree on common strategic objectives and their implementation. The building of trust requires

transparent flow of information and improving the understanding between the actors.

The Finnish food system needs a **visible chain of traceability and responsibility that extends all the way to the consumer**, which is yet to be realised. The consumers want to know more about the production method and origin of food. A traceability system is constructed which also functions as the system for the verification of the responsible production, processing and distribution practice in Finland. Such a system is indispensable for exports; a well-functioning system for this purpose is a competitive advantage. Participation in the system is included in the competition criteria in public procurement. Both national and EU funds are available for communicating on the matter.

**The ownership of companies is important for Finland**, because this has impacts on e.g. the decisions on product purchases. This is why strategic national ownership is understandable and acceptable.

The food system is subject to public guidance from several administrative sectors, including legislation and financing. **The coordination of the food-related policies and their implementation should be improved in the future.** The objective of the new arrangements is to streamline food policy in central government and between different actors. This comprises, among other things, **better allocation of research and development funds and combination of these into larger and more comprehensive entities** (cf. Chapter 3). Better coordination and consistency among the administrative sectors is also needed in legislative preparation and budgeting to reach the objectives set for food policy. The current structures and bodies should be subjected to critical scrutiny and closing down or removal of the unnecessary ones must be allowed.



OBJECTIVES	MEASURES	WHO IS RESPONSIBLE?
<p><b>Food strategy is a national strategy project which provides the framework for the future development of the food system.</b></p> <p><b>Food strategy will be updated according to the changing operating environment. This requires anticipation, follow-up and analysis of changes and the ability to also react quickly, where necessary.</b></p> <p><b>The coordination of the decision-making on the food system in the public administration and the implementation of the decisions are improved.</b></p> <p><b>Actors in the food sector - consumers, traders, food and catering services, processors and producers - are part of the new structures.</b></p>	<p>Bodies to be set up:</p> <ol style="list-style-type: none"> <li>1. Ministerial group on food policy, which meets once or twice a year and gives policy guidance on food-related issues and deals with legislative and budget matters.</li> <li>2. Group of civil servants on food policy, with representatives from sectors that administrate food issues (Ministries of Agriculture and Forestry, Employment and the Economy, Social Affairs and Health, Education and Culture, the Environment and Finance).</li> <li>3. Food Policy Committee with representatives from the administration and actors in the sector (extended version of the recently appointed Food Chain Committee, also with an extended mandate).</li> <li>4. A secretariat composed of a few persons or other organisational arrangement for coordination and implementation.</li> </ol> <p>Reducing overlaps in the administration, both current ones and those resulting from the new organisation.</p> <p>A report to the Parliament on progress made in food policy once during each government term.</p>	<p>Government and ministries as well as consumers, traders, food and catering services, processors and primary producers</p>
<p><b>Finnish food has a traceability and responsibility system designed, approved and implemented jointly by the actors in the food chain, which is audited by an external party. Product labels tell the consumers about the dimensions of responsibility. The system is open in the sense that the criteria used for responsibility are public. The system gives a competitive advantage and responds to the needs of exports. Of the domestic food production at least 75% is covered by the system.</b></p>	<p>Start-up with selected pilot sectors and companies for which criteria of responsibility are developed, covering all dimensions of responsibility relevant to the products concerned.</p> <p>Methods are developed for the verification of production methods on the basis of the current information collection and recording systems.</p> <p>Planning and application of labels and other means of communicating on the system to the consumers.</p> <p>Arrangements for objective and independent auditing of the system.</p>	<p>The role of the food administration is to facilitate the creation and development of the system, but the responsibility for the planning and implementation rests with primary production, processing and trade.</p>



## What if?

**W**hen reflecting on the future, the steering group for the preparation of the food strategy started from certain assumptions concerning the trends in the operating environment of the food system. Changes may, however, also take place quite unexpectedly. Such sudden changes may be caused by

- ❖ more rapid and dramatic progress of climate change than has been anticipated and the growing numbers of climate refugees this may lead to
- ❖ interruption of air traffic caused by volcanic ash clouds or their cooling impact on the climate
- ❖ escalation of a political crisis
- ❖ rapid spread of a plant or animal disease epidemic
- ❖ a pandemic dangerous to humans
- ❖ nuclear fallout in some part of the world.

It is also possible that an innovation created in the Finnish food system multiplies the export opportunities. The question this gives rise to is whether we have sufficient expertise and ability to commercialise the innovation and the opportunities to produce a sufficient volume to take full advantage of the opportunities offered.

It is impossible to plan the world 20 years ahead. The food sector as such is also dynamic and in constant change. This is why the food strategy must be updated on an ongoing basis – a strategy is not a project but a process. For this purpose the steering group for the food strategy has proposed a new kind of organisation of the food issues and food policy in the state administration. The responsibility for the coordination relating to anticipating and comprehensive follow-up of the changes in the food sector and the adaptation of the measures to the changing circumstances is the responsibility of the proposed new structures.



## **Annex:**

### **The steering group for the preparation of the food strategy heard the following experts:**

**Paul Bradley**, Team Leader, Food Policy Unit, DEFRA, UK  
**Kirsi Heinonen**, Agricultural Counsellor, Ministry of Agriculture and Forestry  
**Heikki Hiilamo**, Research Professor, Social Insurance Institution of Finland Kela  
**Elina Hiltunen**, CEO, What's Next Consulting Oy  
**Aulikki Hulmi**, Senior Officer, Ministry of Agriculture and Forestry  
**Marja Innanen**, Secretary-General, Ministry of Agriculture and Forestry  
**Ilkka Kananen**, CEO, National Emergency Supply Agency  
**Jukka Kola**, Vice Rector, University of Helsinki  
**Marjaana Manninen**, Senior Officer, National Board of Education  
**Johanna Mäkelä**, Research Director, National Consumer Research Centre  
**Jyrki Niemi**, Professor, Agrifood Research Finland MTT  
**Perttu Pyykkönen**, Research Director, Pellervo Economic Research PTT  
**Sara Syyrakki**, Veterinary Surgeon, Consultant

## Notes:



