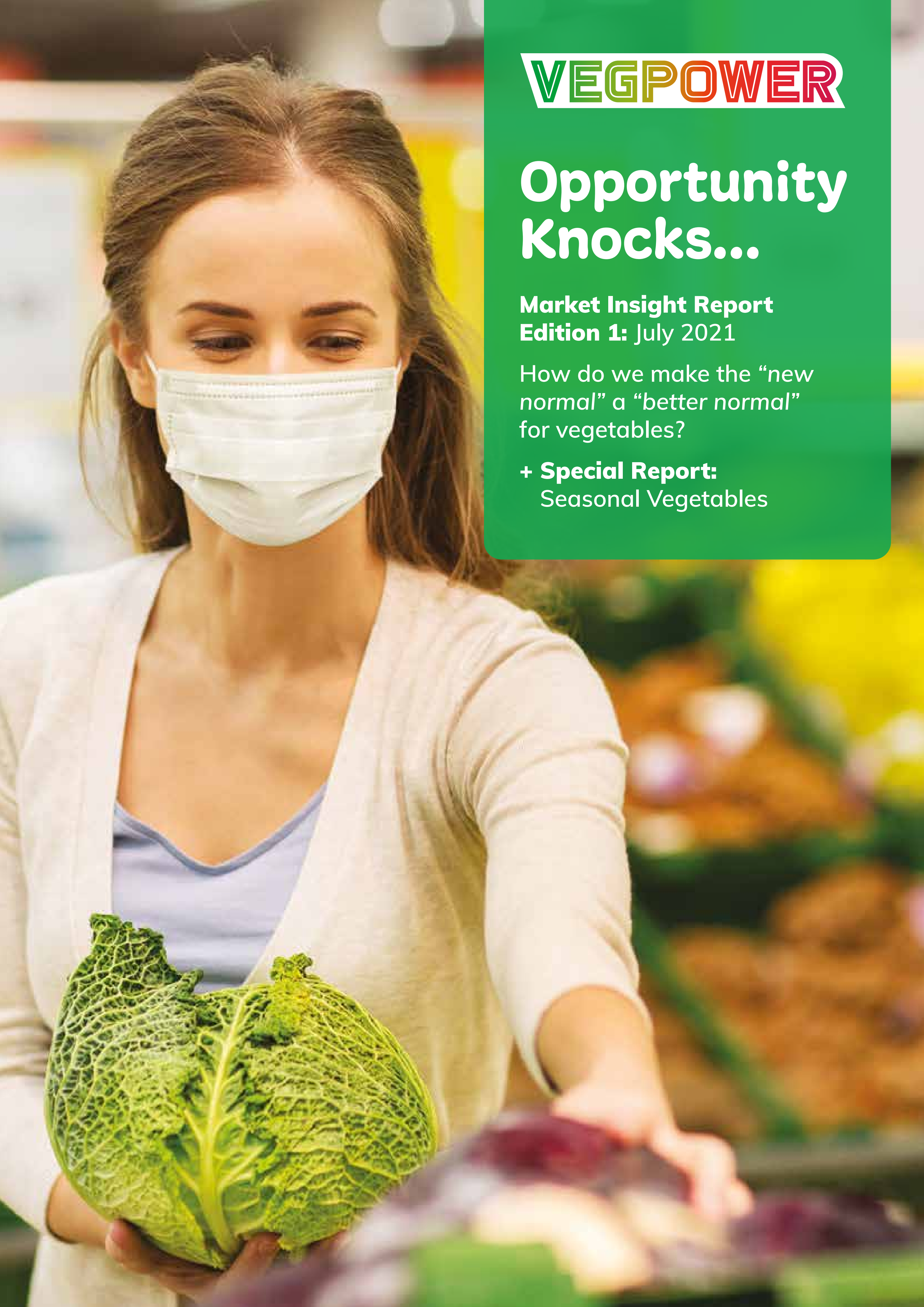

Opportunity Knocks...

Market Insight Report
Edition 1: July 2021

How do we make the “*new normal*” a “*better normal*” for vegetables?

+ Special Report:
Seasonal Vegetables

Contents

Acknowledgements

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Welcome

Dan Parker
Chief Executive, Veg Power

We take a long term view at Veg Power, and our view is that in the early part of this decade three powerful drivers of change: climate, dietary health and Brexit, are converging to create a moment of great opportunity for vegetables. An opportunity both to the commercial benefit of the industry and the health and wellbeing of the nation. But success is far from guaranteed, it will take extraordinary skill and commitment from the whole sector to realise its full potential. Our ambition is to become a centre of excellence on those consumer and cultural trends which will determine future vegetable consumption.

We're delighted to bring you Veg Power's first Market Insight Report. Not only is it our first Market Insight Report, but we believe the first really in-depth independent look at consumer trends in the vegetable sector.

We have been given extraordinary access to in-depth retail sales data thanks to IRI Worldwide. We've supported that with further data from Nectar, Kantar, Google Trends and social media. We cast our research net wide, factoring in a variety of third-party reports with their range of findings on this subject including some of the leading management consultancies, professional nutrition bodies and think tanks. Looking at all that data we have drafted in retail data analysts and shopping strategists of the very highest calibre, and supported them with experienced industry professionals from grocers, growers and trade organisations.

Our approach to this report was to delve deeply into what really happened in and to our sector during the first year of the COVID-19 pandemic. Based on these findings we have predicted what we believe is likely to happen next and how the sector can adapt to capitalise on this.

We begin the report by taking you back and we finish by looking forward. In addition, our partners at The Food Foundation, Peas Please and Veg Cities have kindly provided updates that will be of interest to you including a snapshot of what is happening at Westminster. We've also showcased the findings from our seasonal veg survey which should strengthen our sector as the demand for and interest in sustainable food sources gains momentum.

Before I sign off, I wanted to stress that we want to continue developing resources that are helpful and have purpose for your business. Do drop me a line or pick up the phone, your views are incredibly important to us and we can only improve if your insights are shared.

Executive Summary

When Boris Johnson announced on the 23rd March 2020 that *"from this evening I must give the British people a very simple instruction – you must stay at home"* few of us realised the dramatic and lasting effect it would have on so many lives.

Overnight there was a significant change of circumstances for many people during long periods of lockdown and working from home. However, there is no single pandemic narrative. As individuals we responded in very different ways. A depressingly large number had their hands forced by economic circumstances. Some found the time and inspiration to reset their diet, but others retreated into food as solace.

Our analysis of IRI retail sales data to the end of March 2021 (the First Year of COVID-19) shows that vegetable sales increased by 10.1% year on year, 30% more than overall food sales, as veg enjoyed a greater share of the basket.

+10.1%

Vegetable Sales
Source: **IRI**[38]

This report considers what caused that shift? What are its lasting implications? And how might we encourage that improved diet of vegetables to continue and grow?

We have identified four significant shifts:

SHIFT 1: Overnight 43% of the working population, some 14m people[3], were forced to work from home. Many used the extra time to scratch cook, to eat together more and generally improve the quality of their diet. Many liked it. We predict that 10% of the UK working population will permanently change their working habits. Kantar Worldwide have estimated that over the Second Year of COVID-19, to March 2022, 650 million meal occasions will be changed by this trend[27].

SHIFT 2: As we dutifully stayed home, online commerce experienced years of growth in a matter of days, as grocery sales boomed from 8% market share in January 2020 to a peak of 16% a year later[5]. 50% of that growth is expected to stay[7]. Online stores are shopped profoundly differently than physical stores. Our sector needs to understand, learn and adapt to master this opportunity.

SHIFT 3: Staying at home allowed many to reconnect with their local high streets as suburban convenience stores and independent retail boomed. 69% of us claimed to have shopped groceries closer to home[10] and 51% expect to continue. Range, shopper missions and promotional opportunities are significantly different in these small format local stores.

SHIFT 4: It goes without saying that COVID-19 has been a massive shock to the collective system. If any event was going to make us think more deeply about wellbeing in the broadest sense – our own and the nation's health, our financial security, the condition of the planet as a whole – this was it. Veganuary 2021 enjoyed record numbers. 29% of people claim to have improved their diet[15], whilst 86% claim that protecting the environment is important to them. Conscious consumerism is on the march and may be the defining spirit of the Millennials and Gen Z. 50% of UK adults now consider themselves 'conscious eaters'[7] – this has to be an open door for vegetables.

"just because vegetables offer so much to the problems of climate change and dietary health, we'd be wrong to assume that opportunity is ours by right"

However, our study of retail sales shows that plant-based doesn't necessarily mean plants and our Special Report on the awareness and influence of seasonal vegetables shows that few people know their seasons. Seasonality has little influence on their shopping habits but an encouraging 80% of people are calling on supermarkets to make it easier to find seasonal vegetables.

So we have called our report "Opportunity knocks..." for it certainly does for vegetables. However, just because vegetables offer so much to the problems of climate change and dietary health, we'd be wrong to assume that opportunity is ours by right.

We need to learn from these changes, understand what is driving choice and adapt our products, promotions and messaging to put vegetables to the top of every shopper's list.

Key Data

Here are all the key data points from this report for quick and easy reference:

MEAL OCCASIONS

650m

Kantar predicts that there will be a further 650m "vegetable occasions" over the next 12 months[27]

WORKING FROM HOME

43%

At the peak of Lockdown 1 in April and May 2020, 43% of the working population – about 14m people – were working exclusively from home[3]

10%

We predict that some 10% of the UK workforce (approximately 3m people) will permanently change their working habits

ONLINE SHOPPING

16%

From a base of 8% in January 2020, online market share peaked at 14% in June – then peaked again at 16% in January 2021[28]

50%

of shoppers who turned to online grocery during COVID will continue post-pandemic[7]

SCRATCH COOKING

51%

Half of people cooked at home more throughout the pandemic. 4% did so less[8]

32%

A third of people ate together with people they live with more during the pandemic. 9% did so less[2]

RETAIL SALES

+10.1%

IRI report value sales of veg increased by 10.1%. This was well ahead of the growth in total food at 7.8%. A 30% greater growth showing a clear movement to veg[38]

+£238m

Kantar projected for the period 52w/e March 2022 +£238m sales for fresh vegetables (+%5)

VEG CONSUMPTION

29%

Almost 1/3 of children aged five and 10 years old eat less than one portion of veg a day[16]

77%

of adults are eating less than the amount of veg recommended by the Eatwell Guide[16]

INGREDIENTS

+17.5%

Scratch cooking ingredients sales grew 17.5% in 2020[38]

HEALTHY EATING

32%

of people reported that they had eaten more or slightly more healthy main meals, and 9% said they had eaten less healthy meals[2]

LOCAL SHOPPING

51%

expect to shop more locally after the pandemic[8]

SEASONAL VEGETABLES

80%

Calling for supermarkets to make it easier to find seasonal vegetables

582,000

In January this year, a record 582,000 signed up for Veganuary[34]

-6.5%

Sales of vegetables in January were down an average of 6.5% between 2016 and 2020[35]

CLIMATE

↓8.2%

Possible decrease in greenhouse gas emissions if everyone eats five veg a day[39]

PLANT-BASED DIETS

29.6%

Although vegan products experienced a 29.6% YOY growth (IRI 2020 vs 2019) it remains less than 0.2% of overall food sales[38]

50%

50% of U.K. adults now considering themselves 'conscious eaters'[7]

FOOD SERVICES

-58%

Foodservice had a miserable 2020, with sales dropping by an estimated 58%[22]

How do we make the “new normal” a “better normal” for vegetables?

Introduction

You don't need us to tell you it's been an extraordinary 16 months.

Given what we've all been through, it's easy to say that COVID-19 will change the world forever. But is it true?

At least in terms of people's propensity to buy veg, it's not that simple.

What we do believe, however, is that this is a moment of huge opportunity for the horticulture sector.

In some important ways, people are thinking and acting differently. If we zero in on these, and respond with meaningful innovations and effective communications, we have a real chance to drive consumption to new highs.

In preparing this report, we set ourselves three goals:

1. To get under the skin of what's actually happened since the pandemic started. How has it changed people's attitudes and behaviours in terms of where they shop, what they eat and how they think about food? And what impact has this had on veg sales, compared to grocery as a whole?

2. To identify which of these changes are most likely to stick in the mid- to long-term.

3. Finally and most importantly, to explore the implications for veg and propose a series of actions for Veg Power, grocers, food producers and growers to ensure the whole sector is best placed to capitalise.

Based on our analysis, we see some clear priorities:

We must provide the right prompts to convert intentions into action. 90% of people know they should eat 5-a-day – yet they still don't[1]. Information alone will never solve this problem. If we want people to overcome the barriers – perceived or actual – that stand between them and their dietary ambitions, we also need to excite, inspire and support them.

We must create more compelling incentives. Inspiration matters, but so does promotion. We need to find more effective triggers to nudge shoppers into altering their habits. Promotions aren't just about price; they're about bringing veg's overall value proposition to life. Our approach needs to be truly field to fork, with a focus on the point of purchase and the point of consumption. Some progress has already been made in this area, but a lot of work remains to be done.

We must break through the inconvenience barrier. People are naturally resistant to doing things that they perceive as difficult or unnecessarily time-consuming. For many types of veg, this is a key point of friction. If we want to change behaviours en masse, we need to knock down this obstacle.

Whilst these have always been important, they're now absolutely key to unlocking the category's full potential.

To understand why, let's start by examining what took place between March 2020 and March 2021: a period we'll remember forever as the First Year of COVID.

One pandemic. Four big shifts

"Like the health impact of the virus, our experiences of food have diverged widely during the pandemic". DEMOS

In their March 2021 report Renew Normal: The People's Commission on Life After Covid-19, DEMOS and the Food Standards Agency[2] made an essential point: There is no single COVID narrative. Different individuals responded in very different ways. A depressingly large number had their hands forced by economic circumstance. Some found the time and inspiration to reset their diet, but others retreated into food as solace.

Complicating the picture further are the differences between intended, claimed and actual behaviour. This is known as the Intention Behaviour Gap, and it's particularly pronounced in health and dietary matters – including the consumption of veg. We must be cautious of what surveys and focus groups tell us unless we can substantiate the findings with hard facts such as retail sales or online data (for instance, web traffic, social media or search analytics).

We should never confuse what people planned to do, or maybe even believe they did, with their real-world behaviours; especially during a period as high-stress as the last 16 months.

But there's no doubt the change of circumstances forced by the First Year of COVID lockdowns has led to some large-scale shifts in behaviour. Based on the data, we can size these shifts, weigh their impact on the veg category and predict how they are likely to evolve.

SHIFT 1:

Eating @Home

At the beginning of 2020, the vast majority of people never worked from home. Only 12% of those in employment were always or mainly home-based[3].

This soon changed dramatically. At the peak of Lockdown 1 in April and May 2020, 43% of the working population – about 14m people – were working exclusively from home[3]. Many millions more were on furlough.

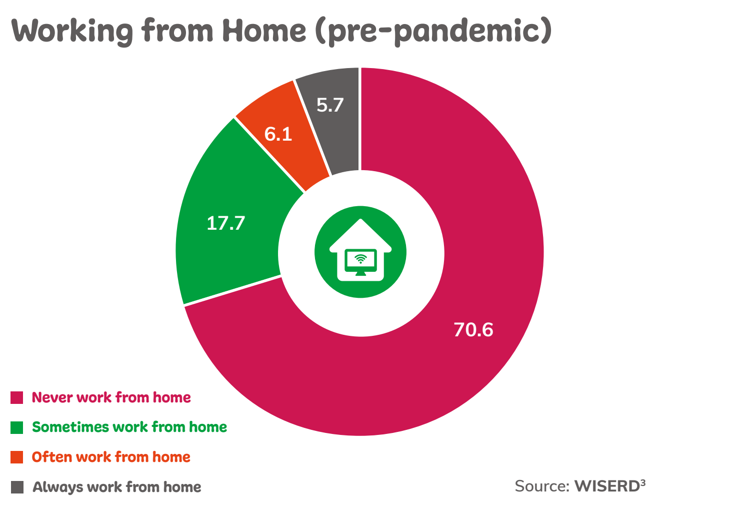
Whilst these numbers bounced around over the subsequent 12 months – as workplaces, hospitality and schools reopened, then shut again – the impact is obvious. There was a massive increase in 'in home' eating occasions.

Veg Power has conducted analysis to size this increase. We examined different segments of the UK population (children below school age, children of school age, people of working age and the retired), and estimated the number of meals each segment would have consumed in-home before the pandemic.

We then factored in the effect of school closures, fewer days in the office, no restaurants and no overseas travel to estimate the increase in 'in-home' occasions on a week-by-week, segment-by-segment basis.

Let's look at lunches and dinners. Our analysis suggests that the number of these main meals eaten 'in-home' in the second quarter of 2020 was 12% larger than a year before. Year-on-year growth has been a fairly consistent 7% since then.

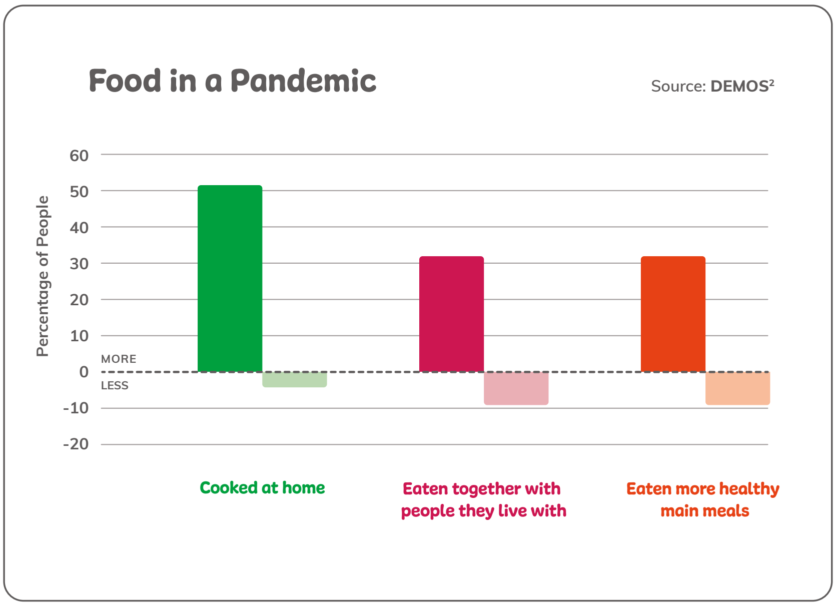
That translates to around 4bn more 'in home' lunches and approximately 1.65bn more 'in home' evening meals. In other words: every man, woman and child in the UK was eating an average of 7 more main meals at home each month.



Source: WISERD[3]

There's certainly evidence in the DEMOS report to suggest an increase in scratch cooking particularly amongst the more affluent.

But we need to remember this is claimed behaviour. What does the sales data tell us?



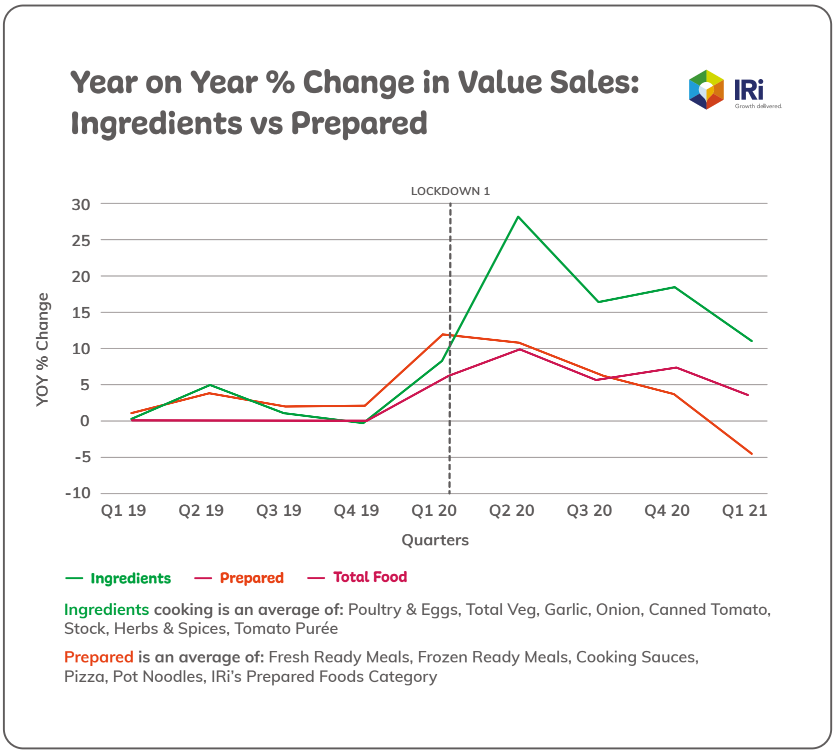
Here's what we found:

Based on intelligence kindly provided by IRI, we compared sales for a basket of ingredients that would typically be used in scratch cooking against a basket of ready prepared foods.

As people stockpiled at the start of the pandemic, both baskets enjoyed a strong bounce. But after that, the lines diverge significantly. By the end of 2020 scratch cooking ingredients sales had grown by 17.5% on 2019.

Whilst year-on-year growth in our 'ingredients' basket has fallen back since Q2 2020, it remains far ahead of our 'prepared' basket. It's also beaten the growth in total food by a healthy margin.

It seems clear that people were not just eating more main meals at home. They were eating differently.



SHIFT 2:

Shopping Online

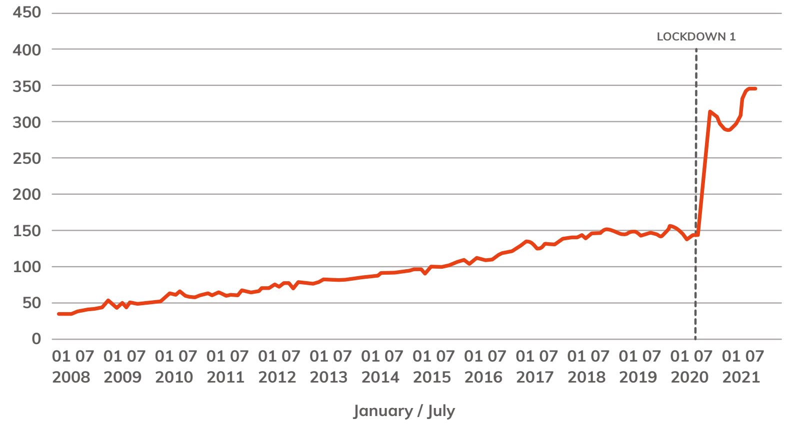
Online grocery shopping has been growing steadily for years, although penetration has not matched that seen in other sectors.

Even though most grocery retailers ran out of capacity in the early months, the pandemic caused a huge and immediate uplift as ONS data shows[4]:

Factor in the likes of Deliveroo (who deliver for Aldi, the Co-op, Morrisons, Sainsbury's and Waitrose), and the real acceleration may have been even greater.

Average Weekly Sales (£m): Internet sales from food stores

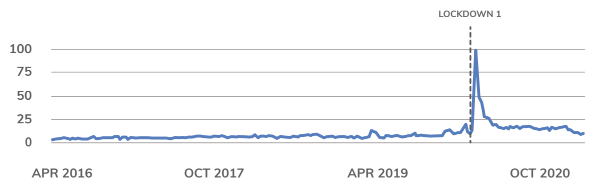
Source: Retail Industry Time Series, **ONS**



Google Trends – always an invaluable tool – underlines the extent to which the nation turned to food delivery last Spring:

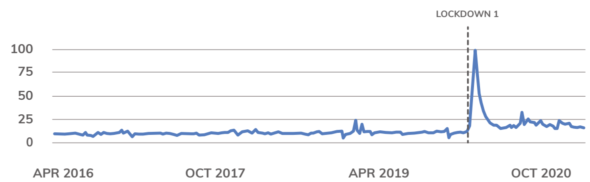
Google Search: Food Delivery

Source: UK Searches interest over time, five years to 31st March 2021, **Google Trends**



Google Search: Ocado

Source: UK Searches interest over time, five years to 31st March 2021, **Google Trends**



Google Trends analyses the popularity of search queries in Google Search. Google processes 93% of all internet searches, 63,000 every second. Analysis of this data gives mass-scale insight into people's interests and how they evolve over time.

But what would have previously been a gradual upward climb in demand has, with the outbreak of COVID-19, turned into a trajectory more reminiscent of scaling Everest"

James Bailey
Waitrose Executive Director

The spikes coincide with Lockdown 1 as a worried public clamoured to find food. But we shouldn't be deceived by the fact that the number of searches has dropped off since then.

According to data from Nielsen IQ[5], online's share of sales from British supermarkets increased progressively with each lockdown.

From a base of 8% in January 2020, share peaked at 14% in June – then peaked again at 16% in January 2021.

You may have seen headlines saying the growth in online grocery shopping is slowing. That's true; but only in the sense that we're now measuring numbers against the very high levels seen last year.

The bottom-line is that online sales this April were still some 45% higher than in the corresponding period in 2020.

Three out of every four British households now buy at least some of their groceries online[6]. Many have only turned to the channel since COVID hit.

Survey after survey suggests that – despite the occasional frustration – a high percentage will stick with their new shopping habit and increase frequency and weight of use over time:

50%

of shoppers who turned to online grocery during COVID will continue post-pandemic[7]

Source: **MCKINSEY**

40%

25% of our sample bought the majority of their groceries online before COVID. 40% now expect to buy the majority of their groceries online even once the virus has disappeared[8]

Source: **SHOPIFY**

X2

The number of people buying groceries online once a week has doubled since 2019. Because online shopping quickly becomes habitual, this change is irreversible[9]

Source: **WAITROSE**

SHIFT 3:

Shopping Local

At the start of the pandemic, we were all under instructions to stay at home. Most of us obeyed willingly, finding increased security in shopping locally.

Barclaycard has examined grocery transactions over the full First Year of COVID-19.

Its findings highlight a key change: Nearly two-thirds of consumers in the UK have chosen to buy closer to home in the past year. In February, this led to a 63% rise in spending at specialist food and drink stores such as butchers, bakeries and greengrocers. Neighbourhood stores have been boosted by the shift to working from home and strengthened interest in supporting businesses that have kept communities going through hard times."[10]

Examining sales during the 12 weeks of Lockdown 1, Kantar (opposite) underlines how our high streets became a crucial outlet for shoppers[11]. Multiples saw significant volume move from supermarkets to smaller format convenience stores, especially in suburban areas.

66%

buying groceries closer to home

Source: **BARCLAYCARD[10]**

69%

growth for independent retailers

Source: **KANTAR[11]**

Convenience: a tale of two places

Analysing exactly what happened in the Convenience sector over these 12 months isn't easy.

Whilst suburban high streets were boosted by people shopping locally, the sector was simultaneously hit hard by people deserting city centres. Some of the multiples have a high proportion of their estate in the latter locations.

In reporting preliminary results for the year to 6th March 2021, Sainsbury's has reported that it saw an overall drop in sales at convenience stores of 9%. However, sales in less urban locations were up 13%[12].

That paints the logical picture. There has been a significant swing to neighbourhood stores.

Whilst other factors also weighed in their favour, Iceland, the symbols and the independents benefited disproportionately from this. Their share of consumer spend has been growing faster than any of the multiples (although not as fast as Ocado)[13]:

Total Till Roll Consumer Spend	12 weeks to 23 Feb 2020 £m	Share %*	12 weeks to 21 Feb 2021 £m	Share %	Change £%*
Total Grocers	28,716	100	32,315	100	**12.5**
Total Multiples	28,246	98.4	31,742	98.2	**12.4**
Tesco	7,822	27.2	8,855	27.4	**13.2**
Sainsbury's	4,485	15.6	5,026	15.6	**12.1**
ASDA	4,348	15.1	4,796	14.8	**10.3**
Morrisons	2,919	10.2	3,325	10.3	**13.9**
ALDI	2,282	7.9	2,410	7.5	**5.6**
Co-op	1,719	6.0	1,935	6.0	**12.6**
Lidl	1,660	5.8	1,841	5.7	**10.9**
Waitrose	1,453	5.1	1,619	5.0	**11.5**
Iceland	639	2.2	792	2.5	**23.9**
Ocado	416	1.4	563	1.7	**35.3**
Other Multiples	502	1.7	580	1.8	**15.5**
Symbols & Independents	470	1.6	573	1.8	**21.8**

*Percentage share of total grocers

Source: **KANTAR WORLDPANEL**

62%

more likely to shop locally since the pandemic started

51%

expect to shop more locally after the pandemic

Source: **SHOPIFY**[8]

SHIFT 4:

Conscious Consumers

It goes without saying that COVID-19 has been a massive shock to the collective system: a once-in-a-generation red light that has flagged fragilities and vulnerabilities that many people hadn't considered before.

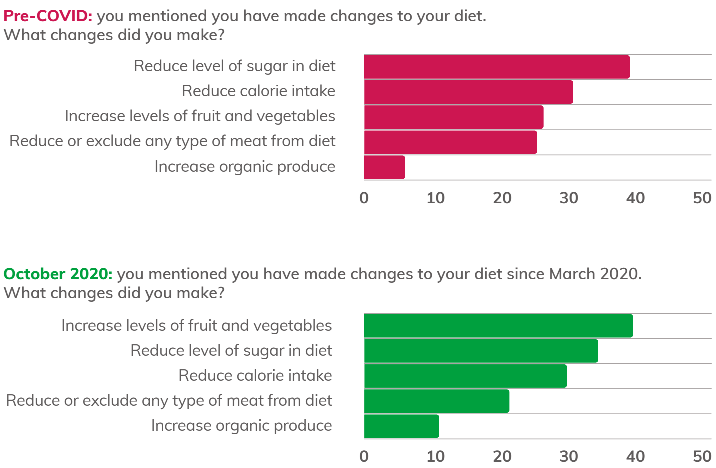
If any event was going to make us think more deeply about wellbeing in the broadest sense – our own and the nation's health, our financial security, the condition of the planet as a whole – this was it.

What does the evidence tell us?

We need to tread carefully here. This is an area in which the gap between intentions and actual behaviour is likely to be particularly pronounced.

Changes consumers made to their diets, before and since the start of the pandemic

Source: **Optimum Research, December 2019/October 2020**



According to research by The Grocer and PWC[14], 59% of the population claim to have changed their diet over the past five years. Unfortunately, this hasn't made the UK noticeably healthier.

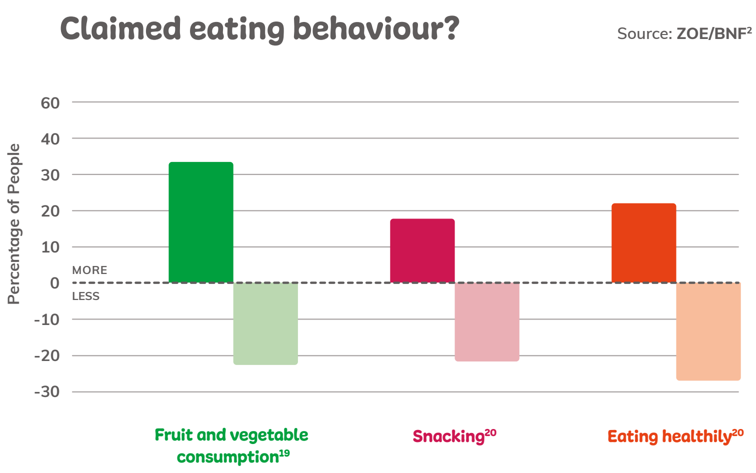
Data from NHS Digital[15] shows that overweight or obese levels have risen from 53% in 1993 to 64% in 2019. One in ten children are obese by the age of 5; that figure doubles to one in five by age 11. The National Diet and Nutrition Survey (NDNS) shows that any improvement in the number of veg portions eaten by adults per day has been fractional, from 2.5 in 2008 to 2.7 in 2019.[16]

So when The Grocer and PWC say the pandemic persuaded 29% of the population to change their diet (nearly half the five year total), we need to take their findings with a pinch of salt.

What feels significant is that there's been a marked shift in the nature of the changes people claim to be making. Eating more fruit and veg has risen markedly up the agenda. In fact, at 40%, it's now the #1 priority.

Shoppers are buying more vegetables, fruit and salad than at any point in the past 20 years as a result of having more time on their hands to cook but also in order to eat more healthily during these challenging times"[18]

Emma Richards
Tesco Produce Category Buying Manager



Furher surveys from ZOE and BNF again show clearly the traffic hasn't been all one way. Individual behaviours have varied dramatically, with a strong balance in favour of more fruit and vegetables.

Evidence from YouTube[21] shows how the nation has been wrestling with the conflict between wanting to eat more healthily and seeking comfort in food:

102 MILLION HOURS

of UK watchtime for **cooking and recipes** on YouTube this year +53% YoY

- **Veganism** watchtime +25% YoY
- **Healthy Diet** watchtime +145% YoY
- **Baking** watchtime +75% YoY
- **Vegetarian** watchtime +60% YoY
- **Comfort Food** watchtime +145% YoY

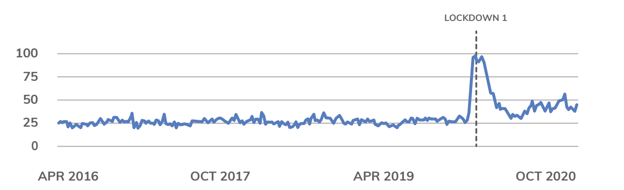
As has been widely reported, home baking enjoyed a meteoric rise at the start of the pandemic. Google Trends shows the dramatic uplift. This was clearly the result of people having more time on their hands, and it's generally something to be applauded. At the same time, it may very well have been a function of people looking for guilt-free ways to enjoy comfort food. Meanwhile "healthy" searches on the food and drink category saw an equally dramatic uplift from those seeking healthier recipes.

In the teeth of a massive health crisis, we shouldn't be surprised by this tension. Many people wanted to do the 'right thing'; even more wanted to feel like they were doing the 'right thing'. But they also needed solace wherever they could find it, and food was one avenue that remained open to them.

The $64m question is how all this has pulled through into the real world. What can we learn from people's actual purchasing behaviour?

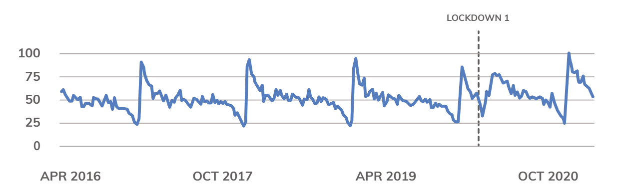
Google Search: Baking

Source: UK Searches interest over time, five years to 31st March 2021, **Google Trends**



Google Search: Healthy (in food & drink category)

Source: UK Searches interest over time, five years to 31st March 2021, **Google Trends**



How have these shifts affected veg consumption?

First up, let's recognise the obvious fact that there was a lot of substitution going on during the First Year of COVID.

The dramatic rise in the number of 'in home' meal occasions will have been more or less exactly matched by a drop in 'out of home' occasions.

Foodservice had a miserable 2020, with sales dropping by an estimated 58%. Even allowing for a healthy rebound as the sector re-opens, it could still end this year £25bn smaller than it was in 2019[22].

Since people spend more when they eat out, total expenditure on food has shrunk markedly since the start of the pandemic – perhaps by as much as £12bn.

Clearly, this will have deeply impacted companies who supply veg to Foodservice; but damage to the sector overall is likely to have been limited. Research shows that veg purchases consumed out of home normally represent just 4% of the average individual's intake. As we'll see shortly, whatever sales were lost in Foodservice were more than made up by increased purchasing elsewhere.

Our primary focus for this section of the report is main grocery – not least because this is the area where initiatives by Veg Power and the sector as a whole can have the most immediate effect.

In preparing it, we're indebted to our good friends at IRI Worldwide. We thank them for their ongoing support.

They have supplied us with value and volume sales data for all major multiples (excluding Aldi and Lidl), including their convenience stores. Please note that the data does not cover other multiple convenience retailers (such as One Stop), symbols (such as Spar), independents or forecourts like BP.

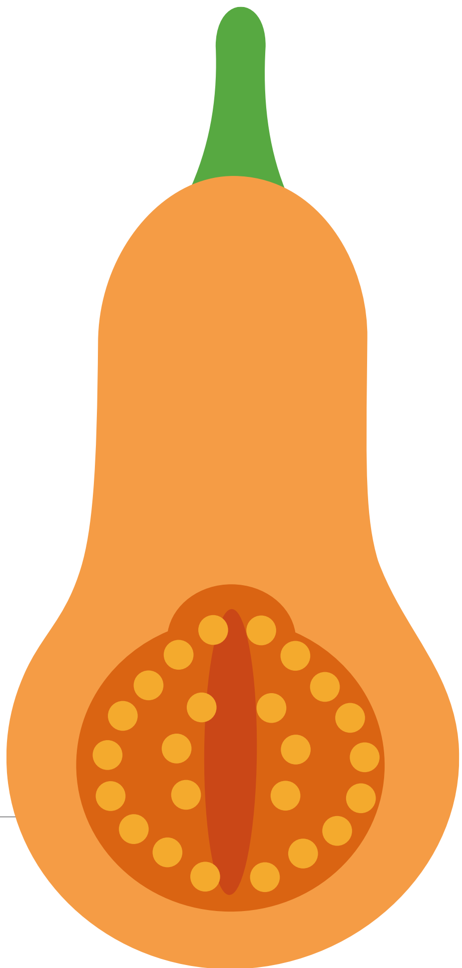
In analysing this intelligence, we have used Veg Power's standard definition of vegetables.

What's a vegetable?

Our mission is to increase the 'conscious' consumption of portions of vegetables. The purpose of the analysis we've conducted is to understand key trends, and thereby evaluate what progress we're making towards achieving that mission.

So when analysing vegetable sales, we include the following: all frozen, all canned (except canned tomatoes, which we consider an ingredient), all prepared and all fresh. We include sweet potatoes but exclude other potatoes, as they are nutritionally considered a starchy-carbohydrate rather than a vegetable. We also include avocados, tomatoes and other foodstuffs that are botanically classified as fruit but nutritionally classified as veg.

We exclude herbs, onions, chillies and garlic (as well as canned tomatoes) as these are ingredients, rarely eaten as a "portion of veg". They are however essential barometers of scratch cooking, which is a key driver of increased vegetable consumption, and thus essential for us to encourage. We differentiate portion veg from ingredient veg to better inform our overall understanding.



Source: **Analysis of retails sales value and volume data kindly supplied by IRI Worldwide**

FOCUS:

Retail sales data

Despite having their fair share of operational headaches and cost increases, the multiples had a stellar 12 months in terms of top-line sales.

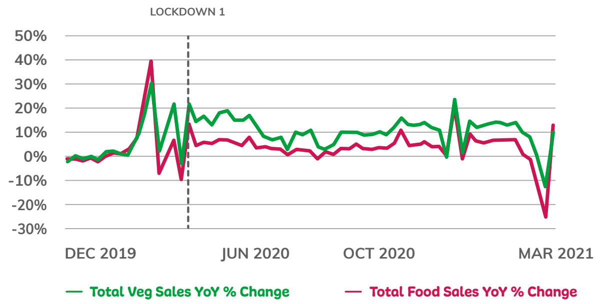
After being flat in 2019, total food sales grew in value by 7.8% across the First Year of COVID. In the second quarter of 2020, year-on-year growth was nearly 10%.

Total veg did even better. Shoppers spent 10.1% more on veg in the year to March 2021, with growth peaking at 16.8% in April to June 2020.

In other words: in the multiples, veg took a larger share of what were significantly increased household shopping budgets.

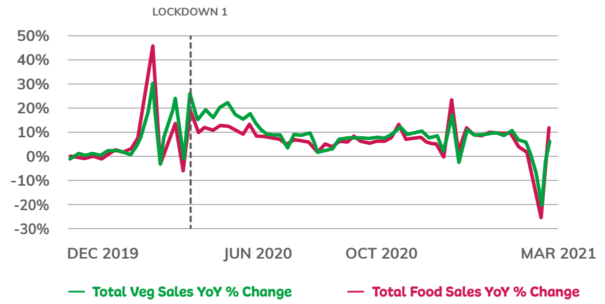
YoY Change in Vegetable vs Total Food unit sales

Source: **IRI**



YoY Change in Vegetable vs Total Food value sales

Source: **IRI**



Value Sales vs Unit Sales

It's worth noting that, unlike food overall, volume sales for veg grew faster than value sales. This suggests that shoppers were either buying larger pack sizes, or trading down to cheaper veg types, or switching away from premium products to more affordable options. Most likely, there was a combination of all three.

This trend was equally apparent across fresh, frozen and canned:

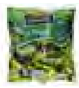
	Value Sales		Unit Sales	
	Share of Total Veg	w/c 15 Mar 2020 – 7 Mar 2021 vs Year Prior	Share of Total Veg	w/c 15 Mar 2020 – 7 Mar 2021 vs Year Prior
Fresh Veg	89.5%	+9.7%	90.0%	+10.7%
Frozen Veg	7.8%	+15.5%	5.7%	+20.3%
Canned Veg	2.7%	+8.2%	4.3%	+11.8%

Product Analysis

Drilling deeper into the data, we can track sales by veg type in both volume and value terms:

		Unit Sales	Value Sales
	Sweetcorn (Frozen)	79.2%	75.5%
	Onion (Fresh)	21.1%	25.4%
	Other Roots (Fresh)	16.6%	25.2%
	Sweetcorn (Fresh)	23.6%	24.6%
	Sweet Potatoes (Fresh)	18.3%	22.4%
	Tomatoes (Canned)	19.4%	19.8%
	Mushrooms (Fresh)	15.5%	19.0%
	Peppers (Fresh)	15.4%	18.6%
	Mixed Veg (Frozen)	20.8%	17.9%
	Courgettes (Fresh)	17.3%	17.8%
	ALL VEG (FROZEN)	20.3%	15.5%
	Cauliflower (Fresh)	20.1%	13.5%
	Parsnip (Fresh)	24.1%	12.4%
	Broccoli (Fresh)	8.9%	12.1%
	Tomatoes (Fresh)	9.2%	11.9%
	Legumes (Fresh)	10.8%	11.2%
	Lettuce (Fresh)	14.0%	11.0%
	TOTAL VEG	11.2%	10.1%

Key: Fresh Frozen Canned

		Unit Sales	Value Sales
	ALL VEG (FRESH)	10.7%	9.7%
	Leeks (Fresh)	23.1%	9.1%
	Avocado (Fresh)	16.5%	8.9%
	ALL VEG (CANNED)	11.8%	8.2%
	TOTAL FOOD	4.5%	7.8%
	Peas (Frozen)	15.3%	7.5%
	Asparagus (Fresh)	-1.2%	7.1%
	Radish (Fresh)	14.0%	6.0%
	ALL FRUIT (FRESH)	1.1%	5.2%
	Cabbage (Fresh)	23.0%	4.8%
	Sweetcorn (Canned)	24.7%	4.5%
	Carrots (Fresh)	13.8%	4.4%
	Stir Fry Veg (Fresh)	-0.7%	3.0%
	Cucumber (Fresh)	12.8%	2.8%
	Prepared Salads (Fresh)	0.8%	1.9%
	Celery (Fresh)	8.8%	1.0%
	Mixed Prepared (Fresh)	-8.8%	-6.9%

Soure: **IRI retail sales data YOY to March 2021, ranked by increase in value sales**

There's a wealth of data in this chart, so let's just pick out a few highlights:

Prepared veg clearly under-performed. Percentage growth for Fresh Prepared Salad was low, whilst sales for Fresh Mixed Prepared actually declined. There were probably three factors at play here:

1. With more time on their hands, it's possible that people preferred to do the prep work themselves rather than pay a premium for pre-prepared items.

2. As more people shopped online, they were looking for products which offered longer shelf-lives and were less likely to bruise in transit.

3. As the chart below shows, salad bags are the veg item most commonly found in convenience shoppers' baskets. Accordingly, they tend to dominate placement, promotion and ranging within those stores. With many of the multiples' inner-city convenience stores deserted, sales were hit particularly hard.

Preferable Vegetables

Online

1. Tomatoes
2. Carrots
3. Cucumber
4. Avocado
5. Onion
6. Peppers
7. Broccoli
8. Fresh Greens Spinach/Kale
9. Mushroom
10. Courgette
11. Cauliflower
12. Leeks
13. Cabbage

Convenience

1. Salad Bags
2. Tomatoes
3. Mushroom
4. Onions
5. Cucumbers
6. Peppers
7. Carrots
8. Whole Lettuce
9. Broccoli
10. Exotic Veg (eg. Baby corn/Asparagus)
11. Avocado
12. Cabbage
13. Cauliflower

The above ranks in order of importance, larger to smaller, % baskets containing the listed products. Source: **IRI**

At the other end of the spectrum, frozen veg and winter veg like parsnips, other roots, cabbages and cauliflowers did disproportionately well. Again, we attribute this to two factors:

1. Whether buying in-store or online, people will have graduated to more robust, longer lasting types as they reduced the frequency of their shopping trips.

2. These types of veg are good for accompanying and bulking out main meals.

We've already discussed the increase in scratch cooking during the First Year of COVID, and the IRI data provides additional evidence.

Whilst some people turned to meal kits (Gousto saw sales increase by 129% in 2020[23]), many more appear to have been making their own meals from bought ingredients.

Home cooking staples saw exceptionally strong growth:

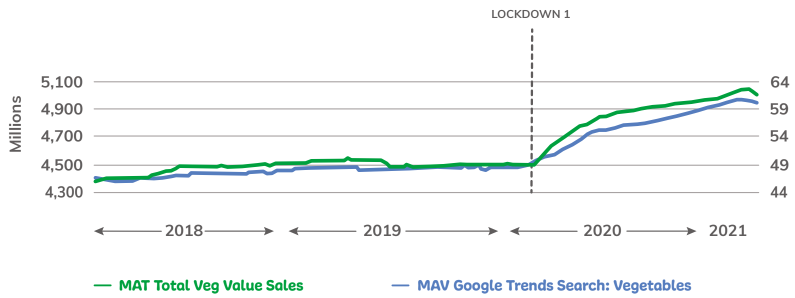
+25%
value sales of onions

+33%
value sales of garlic

+20%
value sales of canned tomatoes

Annualised Veg Sales vs Google Searches for Vegetables

Source: **IRI & Google Trends**



Veg also commanded a much greater proportion of shoppers' interest.

If we track Google searches for 'vegetables' on a moving annual basis, we can identify a clear surge at the start of Lockdown 1. Note how closely searches track sales.

Speaking of box schemes... veg box providers also had a good year.

Whilst still relatively small, their performance further underlines shoppers' increased interest in veg.

Riverford reported deliveries up 70% at peak, with growth stabilising at 40%[24]. Research by The Food Foundation into sales at 99 veg box schemes identified a similar pattern.

Boxes Sold Per Week		
Month	Boxes	Index
Feb 2020	11,658	100
May 2020	23,587	202
Nov 2020	19,252	165

Source: **THE FOOD FOUNDATION**[24]

Highlights:

Based on IRI's information, here's what we now know about veg sales through the multiples during the First Year of COVID:

1. **In value terms, sales increased by 10.1%. This was 30% ahead of total food, which grew by 7.8%. The period therefore saw a clear movement towards veg purchasing.**
2. **Volume grew faster than value, suggesting shoppers were choosing larger pack sizes or cheaper veg options.**
3. **Frozen veg and fresh winter veg did disproportionately well.**
4. **'Ingredient veg' like garlic and onions performed extremely strongly, indicating more scratch cooking.**
5. **Overall, veg did far better than fruit. The new forces at play clearly impacted the two categories in very different ways.**

Leaning into change: what will happen next, and what must the vegetable sector do to capitalise?

Four strong opportunities

It's always more important to project forward than to look back.

The first two sections give us a solid base for forecasting; but what really matters is what's likely to happen next and therefore where the sector needs to concentrate its efforts.

Reflecting on the shifts we've identified, we believe there are four strong opportunities:

New 'in home' meal occasions

The rise in online shopping

A greater appetite for local solutions

The growth in conscious consumerism

OPPORTUNITY 1:

Eating @Home

We're all keeping our fingers crossed there'll be no further lockdowns.

If hospitality stays open and more normal patterns of life return, a good percentage of the increase in 'in home' eating occasions will disappear.

But not all of them.

The future of office work is a hotly debated topic. Different companies are taking different stances, and employees themselves have varying needs and desires:

In 2022, how often would you like to have paid workdays at home?

Source: **Centre for Economic Policy Research**[25]

However you look at the data, it seems a racing certainty that more people will be working from home more often than pre-pandemic. When the BBC contacted 50 of the UK's largest employers in May 2021, the preferred solution for 43 of them was a hybrid 3/2 model[26].

We predict that some 10% of the UK workforce (approximately 3m people) will permanently change their working habits.

By definition, the segment most affected will be those that can: tech-enabled desk workers, with a significant skew towards the middle-aged and the middle-class who have more comfortable home environments and (generally) less interest in the social side of office life.

If these 3m people work an average of 1.5 more days from home each week, that equates to over 200m new meal occasions per year: the working-from-home lunch.

Significant potential also exists around breakfast and better quality family evening meals. Many home workers will swap breakfast 'on the go' for one at home. We need to make sure people consider veg omelettes or veg on toast when deciding how to start their day.

Highlights:

This all adds up to a very substantial opportunity. To seize it, we need to zero in on four things:

1. Position veg as a quick and convenient solution for breakfasts and lunches. We can do this by providing inspiring, veg-filled recipes - or simply by encouraging people to cook extra veg when they're making a main meal and store some in the fridge to use later. The bigger challenge to the sector is to develop new product formats that will help veg get on more of these plates.

2. Remind people what they're missing. Most of the sandwiches we buy at work contain at least one vegetable. We need to make people want to replicate those eating experiences at home. This feels like a great opportunity for deli-sandwich salad filler mixes.

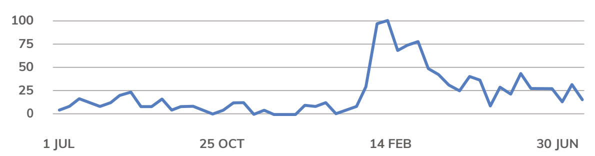
3. People are also increasingly used to eating good quality soups, casseroles and salads; we need to make it feel easy to recreate these at home so they don't just revert to toast.

4. Position the family meal, a decent home cooked meal with two portions of veg, as an everyday indulgence. It must be perceived as a precious luxury in terms of diet, mental health and family bonding - one of the key benefits of working from home.

Baked Feta & Tomato

Via social media, we can seed inspiring ideas that will drive new breakfast and lunchtime eating habits.

An example of what we mean is the Baked Feta & Tomato 'craze' seen at the beginning of this year. Starting with a TikTok meme, it penetrated the mainstream virtually overnight as reflected in the Google Trends data.



33%

Sales of feta during that 5 week period were 33% up on the same period for 2020 and 41% up on 2019. This shows the power of social media to change behaviour.

Source: **IRI**

Scratch Cooking

New working habits could also help to underpin the increase in scratch cooking (although the levels witnessed during the pandemic are unlikely to persist):

1. People spared the commute will have more time to prepare an evening meal. They may also want to find ways to demarcate 'at desk days' from 'with family evenings'.

2. There may be some give to get, with people offering to cook when they're working from home in return for their partners doing the same later in the week.

3. Finally, we think people are likely to view their working-from-home days as enhanced wellbeing days; ones associated with increased exercise, healthier food and more family time. Conversely, office days may see a higher propensity to self-treat.

"Proper family meal times" are something we should all be championing. This isn't just because such occasions significantly increase the chance of veg being served. It's because family meals are a social good in their own right.

How do we encourage more people to cook a family meal more often?

Keep it simple

A key challenge for our category is veg's perceived inconvenience. This is one of the main sources of friction that prevents good intentions from converting into good behaviours.

To overcome this, we need to inspire people with recipes that are both easy and appetising – and then work with our retail partners to bring these ideas to life via promotional and merchandising initiatives.

This is exactly the reason we supported British Tomato Fortnight and their excellent #TomsOnToast campaign.

Many of our forthcoming campaigns will zero in on convenience.

VEGPOWER

Three meal tray bakes
November 2021

This social media campaign will champion the convenience of tray bakes - featuring onions, root veg, butternut squash and sweet potato along with other suitable seasonal veg.

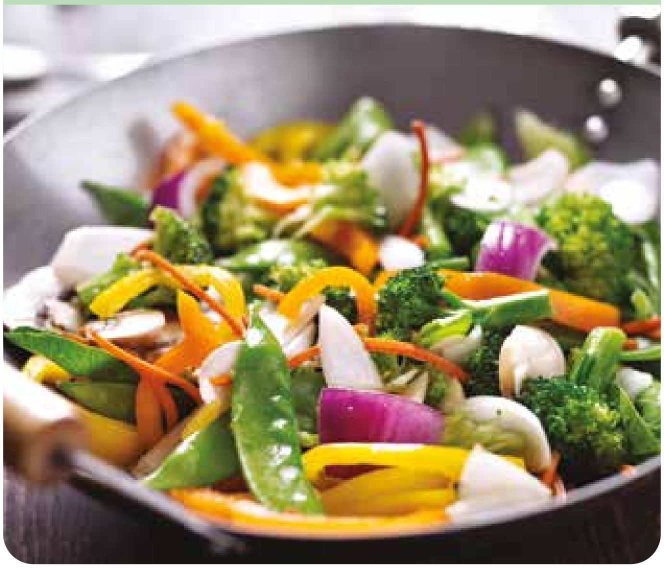
Our focus will be on 'being smart' in the kitchen and highlighting how traybakes are a simple and convenient way to prepare an evening meal and turn the leftovers into a lunch.

VEGPOWER

Stir fry frenzy
February 2022

Another meal occasion where veg is a crucial component are 'stir fry' dishes. We'll highlight the versatility and convenience of this dish as a simple way to up your veg intake while using up veg lurking in the fridge or freezer.

Using social media we'll inspire families to encourage children to try a stir fry for the first time with easy recipes and sauces and ask our influencer network to showcase some of their favourite family friendly creations.



Meal opportunities

Cumulatively, campaigns like these will help to break down people's perceptions of veg as inconvenient.

Overall, we have the opportunity to position 'more veg' as an appealing, benefits-rich choice for every working-from-home occasion.

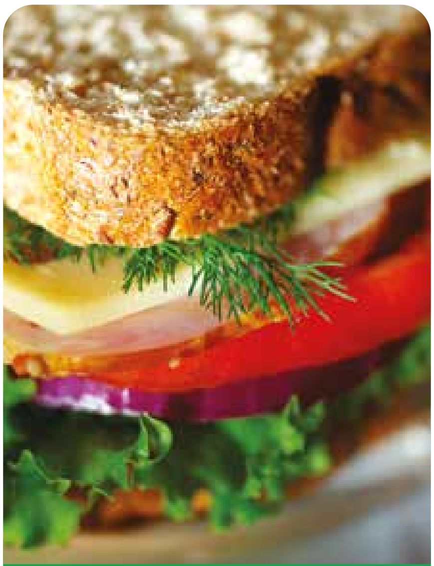
Kantar predicts there will be a further 650m "vegetable occasions" over the next 12 months[27]. But there's no room for complacency.

These are actually "meal occasions", and there's a lot of work to be done if we want veg to feature on those plates.

If we can get one additional adult portion of veg into each of these meals, that's an extra 52,000 tonnes per year. In turn, we believe this will have positive knock-on effects; it will drive trial and variety, putting additional items into people's shopping baskets.

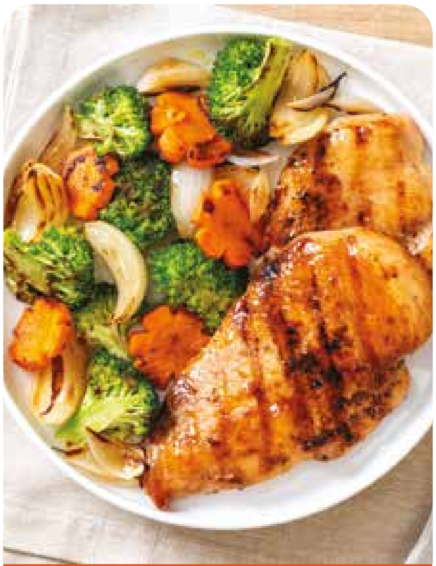
Breakfast

In less time than it takes to queue for a morning coffee, you can rustle up a tasty vegetable omelette



Lunch

Recreate that delicious deli feel at home in less time than you normally wait in line to pay for a sandwich



Dinner

That precious family meal time is your big win from a day spent working at home

OPPORTUNITY 2:

Shopping Online

Online's share of grocery sales will not stick at the record levels seen in January. It is already falling back and was just over 14% in April[28].

But it seems clear that the base has been reset.

We predict that online's share will stabilise at around 12.5%. Remember, that's half as big again as it was before the pandemic.

From there, we see further steady growth. This will be driven by the supermarkets (who need increased volumes to achieve profitability), more aggressive action by Amazon, new 'curated' shopping options like Bother and more brands pushing direct-to-consumer (DTC) offers.

The important thing to remember is that people shop groceries differently online.

To make the process easier, there is a natural tendency to default to favourites. This makes getting on the list the top priority; especially for a category like veg which will no longer benefit from the 'big aisle' visibility it enjoys in physical environments.

We need to respond accordingly.

VEGPOWER

#SaladSticks
July 2021

This summer we're running our first #SaladSticks campaign, a creative and fun way to help save our salads, which can often be forgotten about in favour of other finger foods.

#SaladSticks are quick to prepare, convenient to eat, accessible and affordable, appealing to adults and children alike and they also help to use up leftovers in your fridge.

Our supporters will be sharing their favourite #SaladSticks via social channels and we'll be producing our Pinterest 'Salad Bar' and a #SaladSticks eBook containing the best creations that will be available to download from our website.

Highlights:

1 Promotional activity is critical online. Veg needs to make itself heard in ways that incentivise shoppers to include it in their basket (please see case study below).

Once funding allows, Veg Power intends to recruit a shopper marketing specialist to work with growers and grocers to increase placement and promotion at the point of purchase.

Whilst online will be the primary focus, we also see opportunities around the new HFSS regulations which restrict what products can be featured on point-of-sale. This will free up space in-store which we can profitably occupy; especially in support of veg types which work well as impulse purchases.

2 Online grocery offers a much richer comms environment than bricks and mortar.

Working together with retail, we need to exploit this by creating content that increases consideration for veg. We believe high impact, short-form video will be especially effective.

Veg Power is currently exploring how we might fund this opportunity. We are particularly keen to produce content that meets shoppers' desire for relevant information about seasonal veg. In our recent YouGov survey, half of the sample agreed that they'd like to know more about when vegetables are in season. Only 13% disagreed (see page 54).

3 In addition to driving the number of people shopping online, retailers' main priority is to increase basket size. We can help them do that.

The opportunity here is to focus on seasonal food events. For example: with foreign holidays still limited the UK will be BBQing and picnicking more than usual (weather permitting) we need to make sure that the veg doesn't get forgotten at point of purchase or consumption – so we're going to make it fun and convenient with our #SaladSticks campaign.

4 A tactic that works particularly well online is 'bundling' i.e. offering shoppers the chance to buy two items together at a reduced price.

As well as giving people a strong reason to purchase, this drives category visibility and therefore interest.

British Tomato Fortnight

Paul Faulkner, EVG Ltd

British Tomato Fortnight runs each year in the last week of May / first week in June. It is organised by the British Tomato Growers Association.

Last year we ran promotional activity in store and combined it for the first time with an online landing page that gave customers information on the growers, the varieties and recipe ideas. This year we took it one stage further not only having instore activity and the online features but also Nectar Card activation which was emailed out to 50,000 customers giving them the chance to win 100,000 Nectar Card points.

From an EVG perspective the support we've had from Sainsbury's has been superb and the whole team has really got behind it.

The results from the promotional activity garnered record-breaking sales.

OPINION

Looking ahead in FMCG – implications for the veg category

Jaime Silvester
Head of Retail at IRI

There's been a lot of looking back in our industry at how the last year has presented challenges and opportunities within FMCG for retailers and manufacturers, particularly in the vegetable category. But it's how the pandemic is impacting our choices today as consumers, as well as shaping the future shopping experience that makes for far better reading.

If we take online vs. in-store for example, we already know that with people spending far more time at home, and with restrictions in place, online grew during lockdown. In fact, it didn't just grow, it surged in the early stages of the crisis and has remained at an elevated level. Looking at shopper profiles, we can see that older age groups, who are more likely to visit a store, have taken the plunge and moved to online shopping.

But while the growth of online means opportunities for many products, it poses challenges for other categories that people like to touch, see and smell – and veg is one of these. Whilst a vision of the future may involve virtual reality and a more experiential experience, the ability to virtually pick up and feel avocados and tomatoes is possibly a step too far?

Where the opportunity lies is in the shift to new channels – beyond online – and understanding the changes and nuances in the shopper mission.

Proximity and the role of convenience stores cannot be underestimated in recent times. Location has always been important in store choice, but during lockdown, local stores became essential for many and a lifeline for others.

However, it might be misleading to use the term 'convenience' when we refer to these smaller stores. It implies a top-up or a distress mission whereas for many, the smaller store is their store of choice.

There is also a sense of optimism for the veg category

Growth delivered.

We see that in the work we do with Co-op where inner city customers spend on average £32 on veg products, £7 more than outer city shoppers. (Co-op HIVE 12-week shopper behaviour – w/e 23.05.21). An understanding of the location of a store, the community it serves and shopper missions served by the store, was already important, but will become essential moving forward.

Finally, and perhaps most important, is the increased focus on our health. A key area of concern for many of our clients are the upcoming regulations around high fat salt sugar (HFSS) products, part of the UK Government's health campaign to tackle obesity. Whilst we're not here to give an opinion on the rights and wrongs of the legislation, extensive IRI analysis confirms that they have huge implications for many categories. Looking at the top 15 impacted categories, we see that 64% of skus fall within HFSS guidelines.

Aimed at restricting the way HFSS foods are advertised and promoted, particularly to children, the regulations will include the removal of unhealthy items from prominent in-store locations, such as gondola ends and front-of-store. Range and assortment are already key focus areas for retailers as many look to reduce complexity in the supply chain, adapt to consumer trends and increase the £ per sq. ft. HFSS restrictions will now add another layer of consideration.

It is likely that these restrictions will lead to major changes in both micro and macro space. There will likely be winners and losers from this overhaul. Retailers must fill these promotional spaces and with health and wellness becoming more of a focus for the nation, fresh fruit and veg could be compelling replacements for products that fall under the HFSS banner.

While challenges remain, as a result of the pandemic and Brexit, there is also a sense of optimism for the veg category, with a push towards healthy eating, and other trends like the growth in vegetarian, vegan and plant-based diets.

We look forward to continuing to work with Veg Power and helping get more of the UK eating more veg regardless of their dietary preferences.

OPPORTUNITY 3:

Shopping Local

It's no secret that our high streets face many challenges. These will undoubtedly weigh down on the 'shop local' trend.

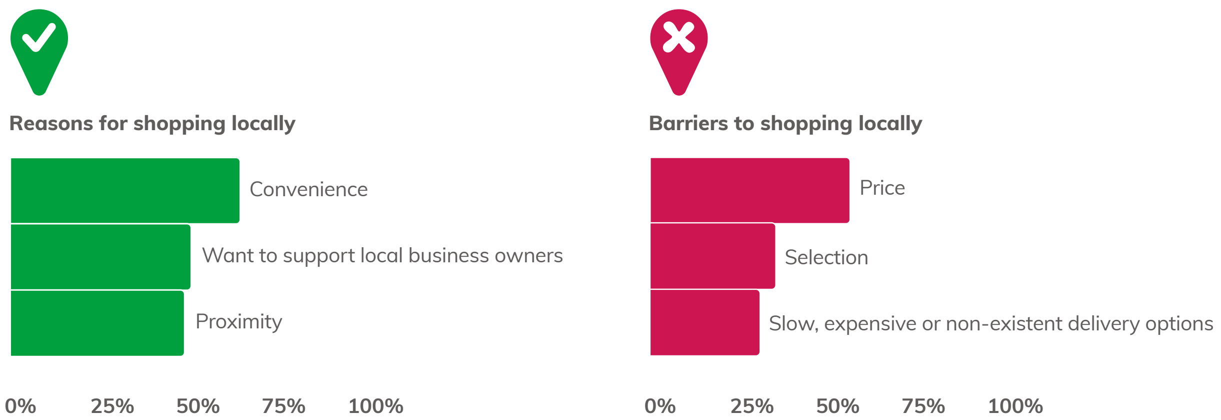
But we believe there's also a key opportunity; and oddly enough, we think it's the rise in online grocery shopping.

You can see a future where people opt for a weekly or fortnightly online shop combined with local top-ups. Fresh produce is likely to feature prominently in these supplementary trips.

At least one of the multiples seems to share our view. Sainsbury's is planning to open 75 new larger footprint convenience stores over the next three years. These will stock a wider range of locally targeted items – including seasonal products.[29]

This is promising news, but overall we need to work harder to make veg part of people's purchasing in convenience stores.

Reasons to Shop Locally



Source: **Shopify: New Shopping Behaviours Post Pandemic UK**[8]

Highlights:

1 For obvious reasons, ranging in convenience is vastly reduced. This does not favour veg.

We need to ensure we make the most of every inch of available shelf space. Which means we need to understand that in this sector, convenience truly is king.

How can we develop new formats that position veg as more convenient and immediately consumable? How can we make displays more engaging and create the right sign-posts to lead shoppers to seasonal veg?

2 Convenience presents opportunities for fresh and canned – but perhaps particularly for frozen. Many convenience shoppers want quick solutions, but not necessarily at the cost of enjoying a proper meal.

We see potential in bundling ‘cook from frozen’ veg with other easy-to-prepare meal types. This could provide a better answer for shoppers whilst increasing basket size for retail.

3 A further priority is to capitalise on the shift to “omnichannel” shopping. Veg should take a lead in encouraging shoppers to pair a main online shop with local top-ups of fresh produce.

Ideally, this would be in conjunction with the multiples; incentivising customers to combine e-commerce with visits to the retailer’s local convenience store. More broadly, it could be about highlighting the advantages of local independents or subscription to box schemes.

OPPORTUNITY 4:

Conscious Consumers

It's hardly surprising that COVID-19 has led people to focus more on their personal wellbeing, the wellbeing of their local community and that of the planet as a whole.

The virus has magnified what were already pressing concerns for many: climate change, the environment, animal welfare, fair trade and dietary health.

It's hard to pick this complex web of issues apart; but the net effect is that people are increasingly conscious of what they buy and consume.

In a survey last August, Accenture highlighted the effect this was having on claimed behaviour[30].

72% of consumers are limiting food waste with 90% likely to continue post-crisis

61% of consumers are making more environmentally friendly, sustainable or ethical purchases with 89% likely to continue post-crisis

Source: **Accenture**[30]

The challenge for veg, as for many other categories, is to convert consumers' heightened consciousness into lasting behavioural change at scale.

Veg Power is strictly apolitical. We are pro-veg, not anti anything else.

But what people choose to eat is clearly of environmental as well as dietary importance. The food system – including its production, packaging, transportation and disposal – already accounts for between one quarter and one third of all human-produced greenhouse gas emissions[31].

This could rise to nearly 50% by 2050 unless steps are taken now.

If the UK followed the Eatwell Guide recommended by Public Health England, which includes only 5 portions per day of fruit & veg, the environmental impact would be significant[33].

▼ **34%** Land Use

▼ **31%** GHG Emissions

▼ **17%** Water Use

Source: **Carbon Trust**

“

Barfoots’ anaerobic digesters turn their vegetable waste into power for their manufacturing operation – one of many examples of the sector becoming carbon neutral”

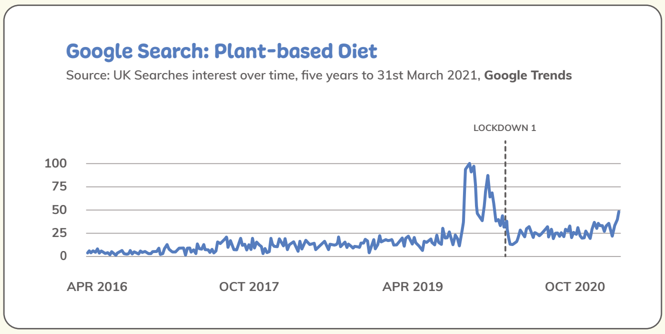
FOCUS:

Impact of plant-based diets

Veganism has certainly been grabbing the headlines recently, but is the increased interest in plant-based diets a boon for veg?

In January this year, a record 582,000 signed up for Veganuary[34]. However, 72% gave up within 2 weeks and only 17% successfully completed the whole month [35]. This is a similar pattern to other well-intentioned new year diet plans.

There is certainly a strong and growing interest in plant-based diets, which surged in late 2019 with the release of 'The Game Changers' documentary. Once again Google Trends is useful:



"Veg are the golden thread connecting diets that are both more healthful and more sustainable"

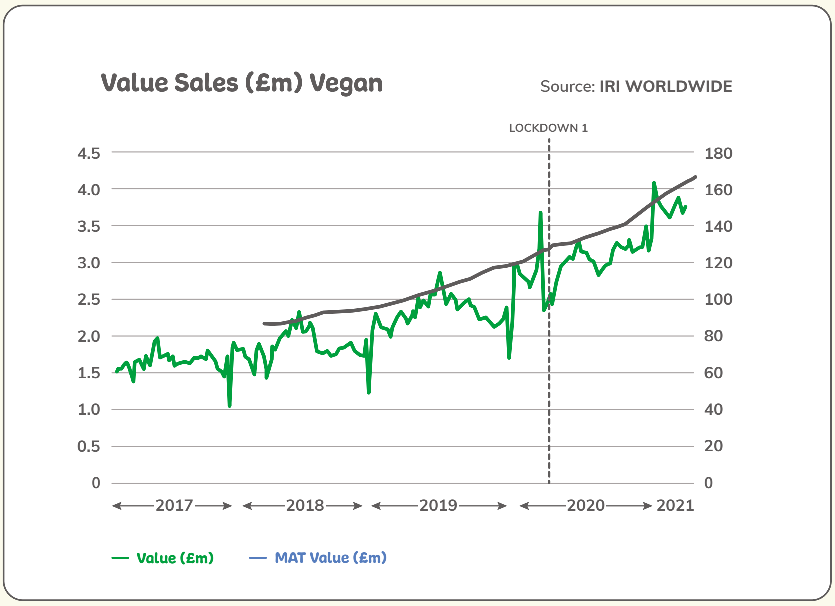
For a deeper look at the health and environmental issues, we recommend the excellent Veg Facts 2021 from our Peas Please colleagues at The Food Foundation.

Search: Veg Facts 2021

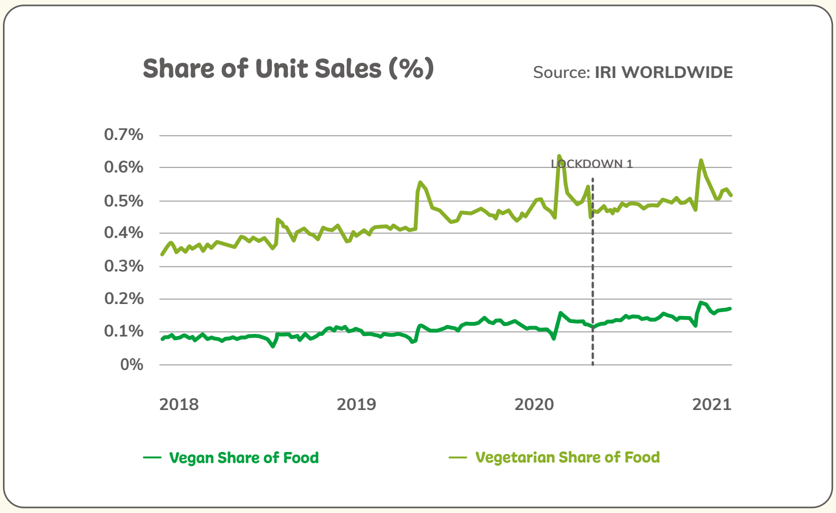
However, sales of vegetables in January were down an average of 6.5% between 2016 and 2020[35] (Kantar). Conversely, sales of vegan products, such as meat substitutes and vegan ready meals, enjoyed strong, steady growth along a similar trajectory to the Google search data.

Often, these vegan processed and packaged goods contain little or no vegetables. Many are high in fat, sugar or salt. The data suggests that this significant trend reshaping our food system is being won by more aggressive, marketing-led categories rather than vegetables.

We need to be careful about assuming that plant-based or vegan diets automatically equate to more veg. We should also be careful not to view this trend in binary terms – many people actually just want to be a bit more plant-based.



Although vegan products' market share remains tiny, the appeal of plant-based diets as a cultural change, is a massive opportunity. But it would be wrong to suppose this is a free pass for vegetables, it isn't, we face a significant communications challenge if we're going to establish 'more veg' as the first choice for those inclined to a more 'plant-based' lifestyle.



Communicating Conscious Consumerism

Veg Power is exploring how we can develop messaging to maximise the appeal of vegetables to the more conscious consumers.

'Vitality' is an effective shorthand to communicate the advantages of eating more veg. Nature stores a lot of its power in veg. By unlocking that power, we can increase our vitality as individuals, the vitality of our communities and the planet as a whole.

'Seasonality' allows us to lay out important facts objectively and let people reach their own conclusions. By eating more British veg at the right time of the year, people will be able to enjoy food which may taste better and, invariably, be kinder to the environment.

There are complexities, of course. In most cases, a vegetable grown in the UK and consumed here will do less harm to the environment than the same vegetable grown overseas. But there are still exceptions, particularly for hot-housed and protected crops.

But overall, British growers are making exceptional progress towards net zero. We need to champion these initiatives and firmly establish domestically-produced seasonal veg as the gold standard for both a healthy body and a healthier planet – that's how we put vegetables at the top of the conscious consumer's shopping list.

It is our belief that if we can change from the all-too-often negative perceptions around vegetables to these positive ideas we will increase variety, perceived value and overall volume for all vegetables, whether fresh, frozen, canned, domestic or imported.

Highlights:

What are the main strategies we need to adopt?

1 To nudge people into change, we need to make it easier for them to act. This has a lot to do with education, and the sector must do more to sign-post its environmental advantages. As with seasonality, there is clearly an appetite for information that's presented in a digestible, easy-to-understand way.

In our YouGov survey conducted in March 2021, 52% of 18-35 year olds said they're concerned about the environmental impact of the food they eat. But only 35% felt that they know of that impact[36].

This is a gap that we need to fill.

2 Whether it's the environment or individuals' diets, we need to ensure we communicate in positive, encouraging ways. However passionately we might feel, lecturing or hectoring an audience rarely works.

Our focus should always be on accentuating the upside, stressing the benefits of eating more veg regardless of other dietary choices people choose to make.

3 There is a huge cultural shift towards more plant-based diets which present an incredible opportunity to the sector – one we are currently failing to properly seize.

Social media gives us the opportunity to target different segments according to their lifestyles and dietary interests. For instance, we can identify and separately address 'traditional meat lovers' or 'people exploring plant-based'.

10 Key Take-Aways

Our goal with this report has been to explore the impact of the pandemic on veg sales and consumption. Throughout, we've asked ourselves three key questions: what can we learn; what might we expect to see next; and what should Veg Power and the wider horticultural sector be doing to capitalise on the 'new normal'?

We've covered a lot of ground. What are the most important points?

So here, by way of summary, is a "cut out and keep" digest of the 10 things that we all need to be thinking about and acting upon.

1. Between March 2020 and March 2021, sales of total veg in the multiples (excluding Aldi and Lidl) increased in value terms by 10.1%. This was significantly ahead of the 7.8% growth in food overall. Frozen veg and hardy veg like parsnips and cauliflowers did especially well.

2. Whilst this is obviously good news, we don't think it necessarily means that shoppers' underlying propensity to buy veg has changed. What we do believe is that now is a moment of huge opportunity for the horticulture sector.

3. As a result of COVID-19, many people are thinking and acting differently. By zeroing in on these shifts and responding smartly, there is potential to drive consumption of veg to new highs.

4. We predict that the number of people working part of the week from home will be 3m greater than it was pre-pandemic. This will create some 200m new meal occasions: the working-from-home lunch. Changed working patterns will also mean that people breakfast differently, and may help to maintain the scratch-cooking habit that some have acquired over the past 16 months. All represent sizeable opportunities for veg.

5. Our second prediction is that online will stabilise at a 12.5% share of total grocery sales. This is half as big again as it was at the beginning of 2020. With this new base level established, we forecast further steady growth over the remainder of the decade. Veg needs to adjust to this new reality.

6. Whilst our high streets face many challenges, people have clearly re-discovered the benefits of shopping locally. Combining a weekly or fortnightly online shop with local top-ups may be the preferred solution for some going forward. Veg needs to position itself better to capitalise on these local top-up trips.

7. Conscious consumerism was on the rise before the First Year of COVID, and there is now an even sharper focus on our personal wellbeing, the wellbeing of the communities in which we live and of the planet as a whole.

To at least some extent, this has translated into an increased interest in veg. With the door more open than before, now is the time for us to push hard. We must establish vegetables as the aspirational peak of conscious consumerism.

8 In order to seize these opportunities, veg needs to break through the inconvenience barrier. This is a key point of friction for the category. As well as developing more convenient formats, we need to inspire people with quick and easy meal-time ideas. We also need to stimulate learned behaviours, like cooking extra veg and keeping it in the fridge to use later.

9 Additionally, we need to get smarter at giving people information they can act on. There are significant gaps in the nation's understanding of both seasonality and the environmental benefits of eating more veg. With an emphasis on 'vitality' and using social media to target discrete audiences at relevant times of the year, Veg Power intends to start plugging these gaps.

10 Finally, promotional activity will be critical to changing shoppers' behaviours. Especially online, we need to find incentives that will get veg 'on the list'. By working closely with retail, we can increase veg's visibility at the point-of-purchase; create bundled offers with complementary brands; develop content that puts veg at the heart of more eating occasions; and trial mechanisms that reward shoppers for buying veg from a particular grocer both online and in-store.

One final thought...

One lasting impact of the pandemic will be the opportunity for many middle-class managers to work from home more often; and by doing so, take back some of the hours and energy they lost to the daily commute.

It seems clear that many wish to use this time to eat more healthily. Improving the diet of this section of our society presents a huge commercial opportunity for the horticulture sector. We must all work hard to seize it.

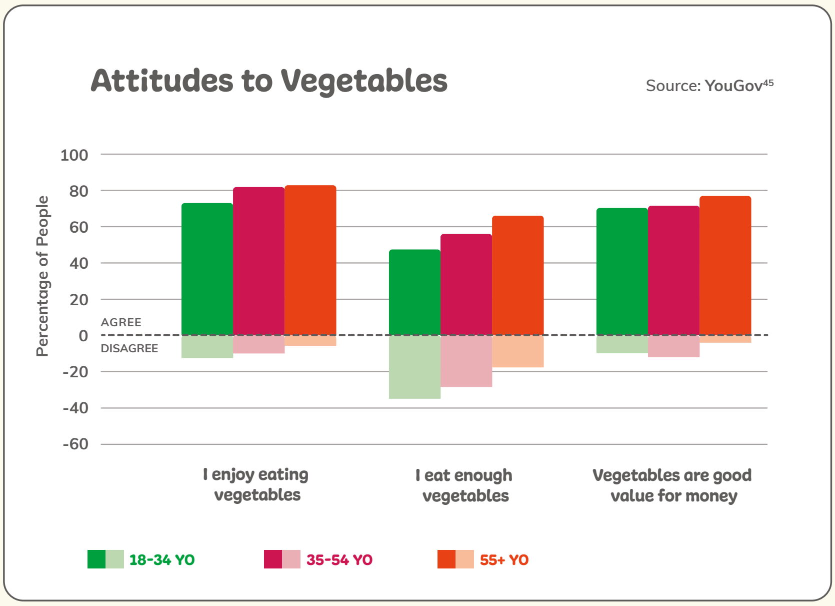
However, we can't stop there. If we wish to drive truly significant growth whilst addressing the country's health and dietary crises, we cannot shy away from the millions more who won't have these same chances to "build back better".

SPECIAL REPORT:

Seasonal Vegetables

How aware are UK consumers about vegetable seasonality? And how much does it influence their purchasing? We wanted to find out, so we commissioned YouGov to survey 2,000 people and Pearl Metrics to analyse the IRI retail sales data.

We asked a full range of ages and demographics but were particularly keen to understand the 18–34 year olds, as they are more likely to be starting families and so influencing the next and current generation of kids.



Attitudes to vegetables

Firstly, we wanted to better understand their general attitude to vegetables.

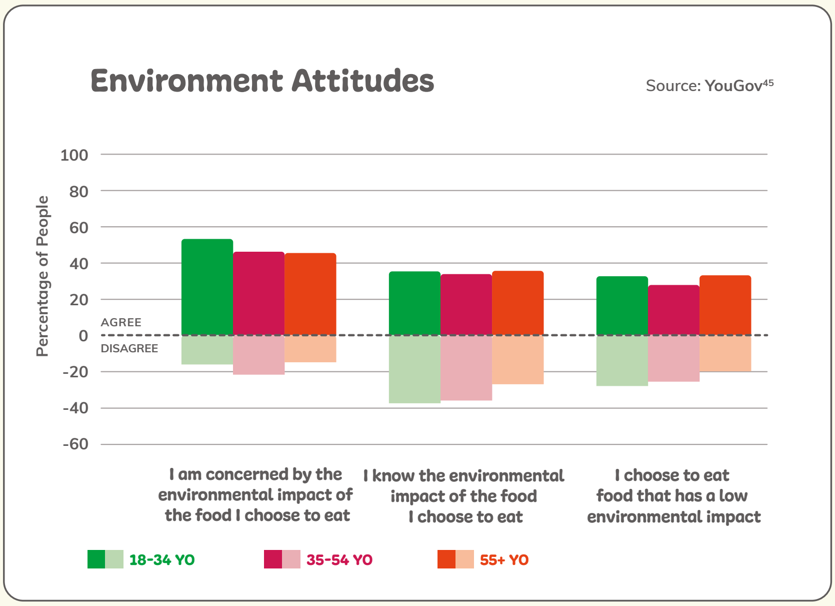
What can we conclude from these results?

1. Most people (79%) enjoy eating vegetables, with 43% strongly agreeing and only 9% saying otherwise. This compares to 26% of kids who like eating vegetables a lot, 39% a little and 24% who dislike them[48].

2. 58% of people think they eat enough vegetables, in truth only 23% do[16].

3. 72% of people think veg are good value, with little difference between ABC1s (73%) and C2DE (70%) with only 10% of CD2Es disagreeing.

As we shall see throughout there is generally a greater appetite for and knowledge of vegetables as people age. Is this simply maturing tastes and knowledge or an underlying decline from one generation to the next? Likely a little of both, but hard to ascertain without similar historical data.



What about the environment?

86% of adults in England reported that protection of the environment is important to them[46], no doubt a similar number feel the same way in Scotland, Wales and Northern Ireland. In fact the UNDP Climate Change poll of 1.2m people globally found the highest proportion of people saying there is a climate emergency was in the UK and Italy, both at 81%.

How much does this climate concern surface in the grocery shopping aisle?

This data reveals a very interesting picture. There is a significant gap between the 80%+ who care passionately about climate change, but only 49% across all ages who care about the environmental impact of their food. As a society we are failing to fully convey the message that the food system is responsible for 25-30% of global emissions[47], and an area where each of us as individuals can make a significant difference by the choices we make.

There is then a significant leap between the 50% who care and 33% who know and 25% who act.

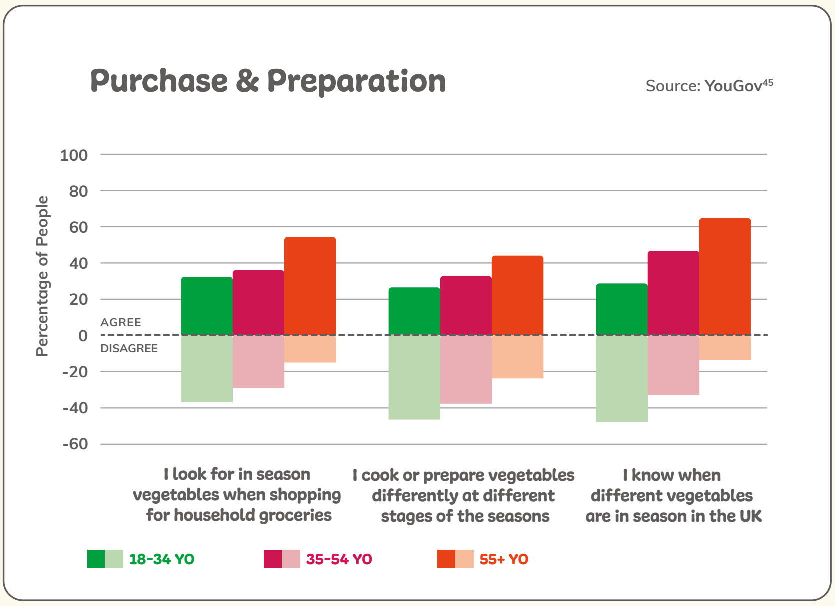
This is even true with the Greta generation of 18–24 year olds; only 50% are concerned about the environmental impact of their food and only 28% choose to eat food that has a low environmental impact.

All in all, this points to a significant education deficit. To grow vegetable consumption by the climate conscious we have much to do to educate them about the significant role of food within climate change, and position vegetables as the first choice of the climate conscious consumer.

Does seasonality influence purchase or preparation?

In summary… not much. What's really notable in this data is how much this progresses with age. Older people look for in season vegetables and prepare them to suit these seasons. Is this just a product of experience or a shift between generations? Either way there is clearly a knowledge gap we need to fill.

Do people really know what is in season? 48% think they do, rising to 64% in the over 55s, let's find out if they do.



The seasonal veg quiz

It's harder than you might think to design such a test. Seasons vary depending on conditions. Which veg should we choose? How many choices should we give people? How close should we make those choices? We are indebted to Dr Emma Haycraft from Loughborough University for her guidance kindly provided to design this survey.

So, what does it tell us? With 7 options for each vegetable a roll of a seven-sided dice would score 14.3% correctly. Our 2,000 panellists scored only a little higher than guess work at 16.4%. However, results vary massively. Clearly people have no idea how long the UK domestical supply of tomatoes and peppers can be in season. Without those the average score would be 27.5% correct answers, a little more respectable, but still leaves us to conclude that few people really know what's in season.

Do the older folk deliver on their claim to know so much better than the youngsters? They do, but not as much as they think they do.

Carrots

Seasons	18-34	35-54	55+	All
April to November	13%	13%	14%	13%
June to December	7%	9%	14%	10%
July to September	17%	15%	15%	16%
October to February	14%	15%	11%	13%
Nearly all year	24%	27%	33%	28%
None of these	1%	0%	0%	0%
Don't know	25%	20%	12%	19%

Correct answer: **Nearly all year**

Peppers

Seasons	18-34	35-54	55+	All
February to October	4%	1%	1%	2%
April to November	8%	6%	5%	6%
May to September	22%	22%	18%	21%
July to September	23%	28%	32%	28%
Nearly all year	6%	10%	9%	8%
None of these	3%	6%	7%	6%
Don't know	33%	27%	29%	29%

Correct answer: **February to October**

Courgettes

Seasons	18-34	35-54	55+	All
February to October	6%	3%	1%	3%
April to November	13%	8%	7%	9%
June to September	24%	41%	48%	39%
July to December	9%	10%	11%	10%
Nearly all year	7%	7%	6%	6%
None of these	1%	1%	1%	1%
Don't know	41%	30%	27%	32%

Correct answer: **June to September**

Turnips

Seasons	18-34	35-54	55+	All
February to October	6%	6%	4%	5%
April to November	9%	10%	11%	10%
October to February	21%	31%	36%	30%
December to April	13%	14%	17%	15%
Nearly all year	13%	11%	14%	12%
None of these	0%	1%	0%	0%
Don't know	37%	27%	18%	26%

Correct answer: **October to February**

Tomatoes

Seasons	18-34	35-54	55+	All
April to December	4%	4%	2%	3%
May to September	30%	28%	30%	29%
June to November	10%	11%	17%	13%
July to September	21%	26%	30%	26%
Nearly all year	8%	14%	12%	11%
None of these	1%	1%	0%	1%
Don't know	27%	16%	10%	17%

Correct answer: **April to December**

Broccoli

Seasons	18-34	35-54	55+	All
April to November	10%	9%	8%	9%
June to November	10%	13%	14%	13%
July to September	12%	16%	19%	16%
October to February	9%	13%	23%	16%
Nearly all year	16%	15%	12%	14%
None of these	2%	0%	0%	1%
Don't know	42%	34%	23%	32%

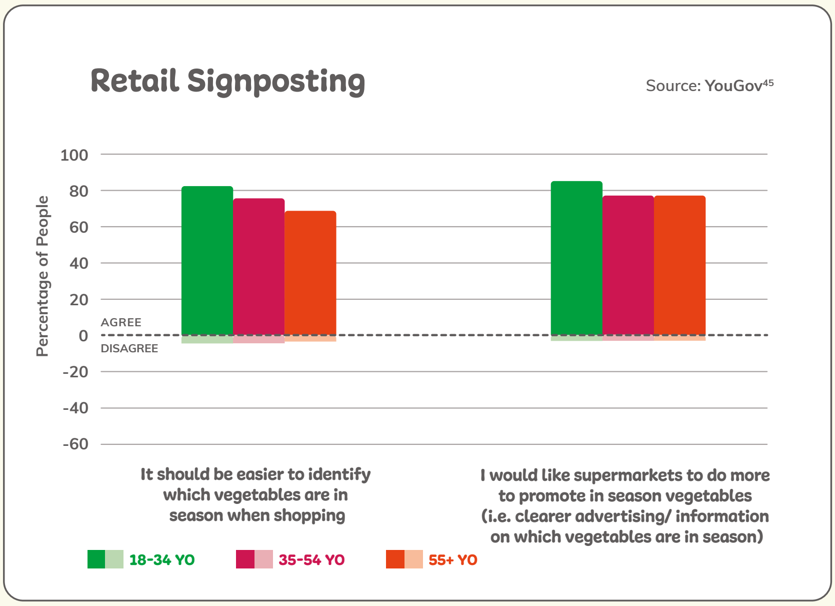
Correct answer: **June to November**

Where do we go from here?

Here's the exciting news for the sector – there is genuine interest. 75% of people believe it should be easier to identify which vegetables are in season when shopping with 80% calling for the supermarkets to do more to promote seasonal vegetables.

This conclusion is also supported by the IGD Appetite for Change report[49] which considered how to apply behavioural science shortcuts to encourage fruit and vegetable consumption in the wake of COVID-19. Of the eleven interventions they tested the most popular (84%) was the display of local and seasonal fruit and veg in-store. Furthermore 71% called for retailers, brands and the out-of-home sector to get behind a seasonal veg campaign.

We couldn't agree more.



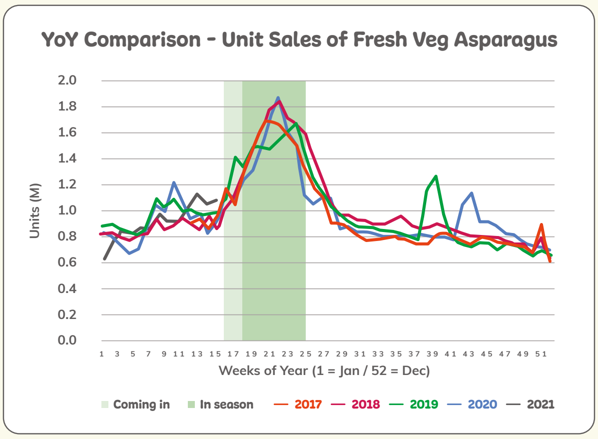
What does the sales data tell us?

With retail sales data kindly donated by IRI Worldwide we looked at a few vegetables to ask how much seasonality influenced shopping patterns. The answer is varied, complex and worthy of more study than the scope of this report, but it does point towards some clear patterns.

Please note, we've not included any salad veg as the seasonal awareness is so low. Not surprisingly these peak in the summer, at the height of the season, but this is more a product of weather – for example the glorious summer of 2018 sees notably higher sales than the duller summer of 2019.

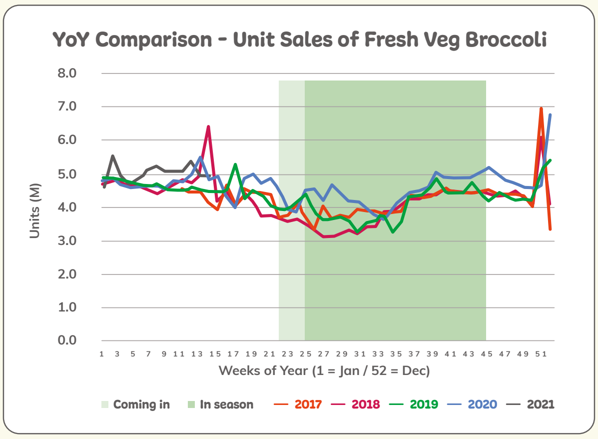
Asparagus

Asparagus is easy and obvious. It has one of the shortest, best-known and most heavily promoted seasons. That sense of 'a Beaujolais moment' sees a significant spike in sales.



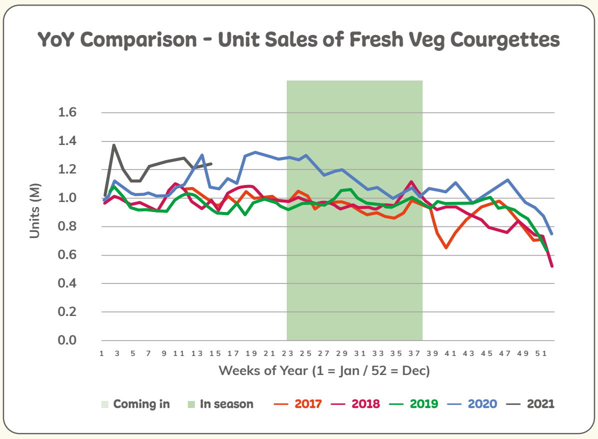
Broccoli

Broccoli is also fairly simple but tells a different story. British broccoli runs from mid-June to mid-November, and the rest of the time it is Spanish. However, as we saw in the survey only 13% of people can name the UK domestic broccoli season. Sales are at their strongest in winter, with a strong Christmas spike, as most people see it as a winter veg, good with roasts and stews. Sales are at their lowest when British crop is at its best – July, August and early September. We need to show people that broccoli works well in salads, stir fries and other summer dishes.



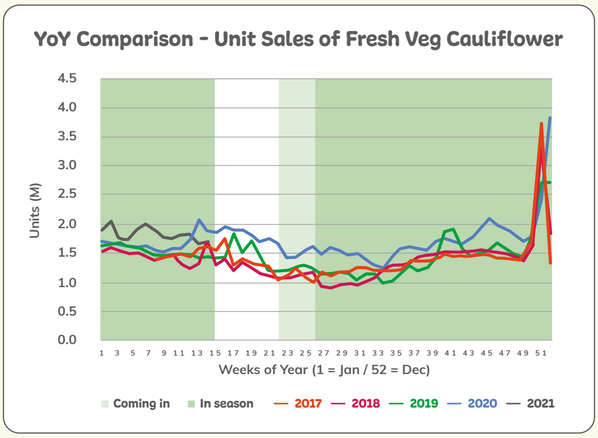
Courgettes

Courgettes had the highest level of seasonal awareness in our survey with 39% answering correctly yet sales are almost totally indifferent to season. Courgettes steadily tick along all year and just doesn't feature on Christmas menus.



Cauliflower

Cauliflower has a very different season to broccoli, much longer like cabbages. Yet they all have the same sales cycle as they are associated with winter meals and driven foremost by weather and tradition. Note how they both drop away in the summer of 2018, during the months of glorious heatwave, after a good spike from an early, cold, wet and windy Easter.



Why seasonality is important for all vegetables

If you have large marketing budgets, you can shape cultural trends and consumer demand but when your marketing budgets are small, as they are with vegetables, then you need to find the powerful forces at work into which you can put your sail.

If this, our first Market Insight Report, has one message it is that strong winds are blowing in our favour, but just because vegetables offer so much to the problems of climate change and dietary health, we'd be wrong to assume that this opportunity is ours by right. There are very many, and far better funded, products vying to benefit from these trends.

The question we ask at Veg Power is how best to leverage the naturally great advantages of vegetables, given the modest marketing budgets, paucity of brands and limited influence at point of purchase and promotion compared to competing categories. We believe that "seasonality" is a simple easy-to-communicate idea that champions the positives of vegetables, all vegetables – freshness, nature, taste and vitality.

In particular we believe that if we can increase variety that will increase volume. We don't want people to substitute a portion of peas for a portion of beans but to add a portion of beans to go with those peas. It's vital that we establish a portion of veg with every meal and two with your main meal as routine habit.

Secondly, we believe that increased awareness of the climate and health benefits will increase people's perceived value of all vegetables.

All too often vegetables are the third thing on the plate and treated like a commodity by the shopper and, therefore, the whole supply chain.

Furthermore, with some simple tips our great-grandmothers would have known, we can teach people to better prepare their vegetables. For example: UK carrots are available all year, but spring carrots tend to be bland and may put people off (though they just need baking or extra seasoning) whereas carrots from July to September are full of flavour and perfect raw. Cabbages are also available all year but can be bitter in the spring, but soft and sweet in June – the perfect time to give it to kids. Early season broccoli is a different variety with a shorter shelf life – we don't want to put people off just before the season because their June broccoli turned so quickly and ended up in the bin. These are just a few examples of how "eating with the seasons" will increase people's pleasure of veg.

Thirdly, on a practical level, because there is significant support in government, and within supermarkets, press and influencers and, most importantly, with shoppers for more seasonal thinking. It's the whole sector's strongest ticket to significant category growth.

We believe that seasonality is the most effective method for lifting the profile of vegetables with that critical 18–34 year old demographic, as it best meets the defining spirit of their generation. We believe that all vegetables – domestic or imported, fresh, frozen or canned will benefit if vegetables become the first thing on their plate.

Hazera
Seeds of Growth

This research was made possible by part funding generously donated by Hazera Seeds Ltd.

OPINION

How to increase veg consumption

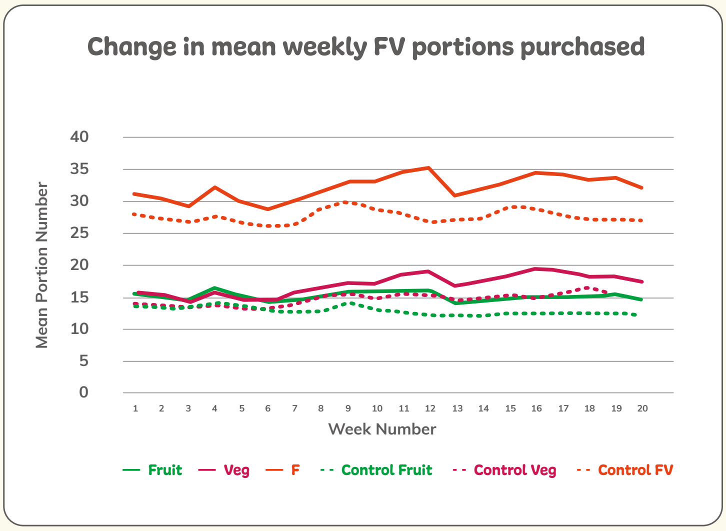
Judith Batchelor

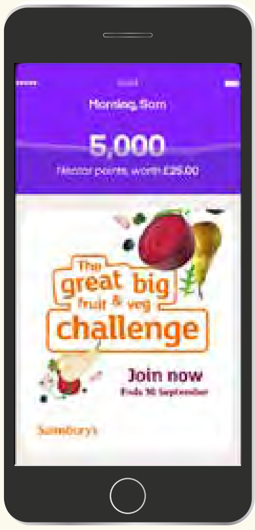
Special Advisor on CR&S and Public Affairs at Sainsbury's

The business case to eat more vegetables and improve the health of the nation is pretty clear, yet we still aren't getting everyone to eat enough. There are the usual arguments, such as the fact that it requires a number of well-choreographed initiatives across a broad group of stakeholders like policymakers, educators, retailers etc. However, that also requires investment. But who should pay for that? These things are all true, but they take time to work through and we already know some of what works in practice, so let us focus on that first.

At Sainsbury's, we have been experimenting with a number of things that show promise. The first, The Great Big Fruit and Veg Challenge, uses the idea of setting a personal challenge that customers can sign up to. We then use Nectar points to incentivise and reward customers on their progress to when they reach their individual challenge target. In 2020, nearly half a million customers signed up and, over a 4-week challenge, 52.5million portions of fruit and veg were consumed by those customers, who were achieving an average of 3.6 portions of fruit and veg a day – well above the national average. The analysis, conducted in partnership with the Leeds Institute for Data Analytics and School of Food Science and Nutrition at the University of Leeds, also indicated that fruit and vegetable purchases remained high following the challenge.

We have since run this activity again and believe it is also helpful in getting customers to increase their repertoire of veg beyond the 9 everyday items that account for the majority of purchases – which are carrots, potatoes, onions, tomatoes, broccoli, mushrooms, cucumbers, lettuce and peppers. To encourage customers to increase their repertoire of fruit and veg and to try something new, in January 2020 and 2021, we discounted a range of less commonly purchased fruit and vegetables to just 60p, providing our customers with the value and the encouragement to try something new.





To accompany the Government's Healthy Start Vouchers, in February this year, we launched a £2 coupon to encourage our customers receiving the Government vouchers to purchase more fruit and veg. Customers who redeemed the voucher, purchased more fruit and veg compared to the 12 weeks prior to the scheme. These are very real ways in which we can drive immediate increases in purchases of healthier options outside of just vegetables.

But we also know that customers shop with a variety of supermarkets and many calories are consumed out of home, so this has to be a whole sector or system approach. That is why schemes such as Veg Power which enable multiple stakeholders across the system to collaborate and work together for public health are so important. The coronavirus pandemic has shown that we are capable of working collectively for the benefit of the nation's health, whether that is data sharing through trusted third parties to prioritise the vulnerable, to align on food redistribution priorities to ensure food banks are supported or investing in creating a safe shopping environment. All of these things have exemplified the art of the possible and at pace and scale. How do we capture these ways of working as a sector to ensure we act on some of the great challenges of our time, the health of the nation and the levelling up agenda?

We know that giving young people the very best start in life includes establishing healthy eating patterns early. However, we also know that every person in the UK lives within a complex set of circumstances, including location, access to healthy food, income, education, cultural differences in the approach to food and so on, meaning that what works for one person, one family or community may not work for another. So how do we take the learnings of what works when and where and use this to create more effective and timely interventions? We now have cost effective digital and data capabilities in broad enough distribution to create highly granular and tailored approaches to individuals and communities across the diversity of the UK. At Sainsbury's, we are just at the beginning of the journey in using these tools to help everyone to eat better and there is much more to explore.

The Government's response to the National Food Strategy is eagerly awaited later in the year, but we know it has to include significant changes in what we consume. These need to be ambitious targets not just because of human health, but because of climate change and the challenges to our natural world.

I believe Veg Power has proven to be successful because they have built a trusted and independent entity, a national network of thousands of supporters spanning the whole food system from seed to plate – including national, devolved, and local government, as well as retailers, growers and the companies who supply them. They also work with a network of stakeholders that contribute to a shared mission.

Through this network they have developed national reach:

- Social media (35 million annually)
- Traditional media (46 million viewers annually)
- School programmes for 500,000 children in 1,900 primary schools

In three years, they have raised £2.5m in cash for campaign funding from 100 different funders and unlocked £15m – £20m of campaign value including media space, celebrity endorsements, creative work and evaluation, enabling us to promote veg in a way no one has done before. Imagine a future where we did this as common practice? In fact, it is hard to imagine that anything will change if we don't work differently together, more of the same is simply not good enough.

Veg Power Update

We've had a busy few months here at Veg Power. Our third Eat Them To Defeat Them campaign in partnership with ITV has just finished. Despite the delays due to COVID-19, we were delighted with what we achieved.

You may have seen our daring new TV ad #PrepareForBattle created on a pro bono basis by adam&eveDDB. And as with previous years we received fantastic celebrity support – the evil veg voices in the ad were courtesy of Dame Emma Thompson, Jamie Oliver and Amanda Holden (to name a few).

Their involvement was also picked up by the newspapers The Mirror and The Daily Star and in other trade titles. We were very fortunate to receive generous support to the tune of £3m TV advertising donated by ITV, Channel 4 and Sky Media. On top of this we received £1m advertising space from Google, Daily Mail, Twitter, poster sites and in cinemas via Pearl & Dean.

Our schools' programme reached more children than ever before – 500,000 kids from 1,900 primary schools across the UK. We are very grateful to all our partners: ITV, Channel 4 and Sky, and to our main campaign sponsors Aldi, ASDA, Birds Eye, Coop, Lidl, Ocado, Sainsbury's, Tesco, Total Produce, Waitrose and to Public Health England for funding a mini activity book for the kids.

Our social channels were extremely busy reaching over 12 million people in May and June supported by Sam and Mark from BBC's Crackerjack providing content to engage children and adults alike.

We're thrilled with what we've achieved and already looking forward to Eat Them To Defeat Them 4 which is set to return in Spring 2022.

And in addition to trying to change children's perceptions about vegetables we've also been running a number of smaller tactical campaigns to help share our love of veg to a much wider UK population. Here's a quick run down of what we've been up to.

VEGPOWER

Mushrooms
March 2021

Working with Monaghan's we focused on mushrooms being the only plant-based source of vitamin D and the role of this vitamin in supporting our immune systems. Our friends at the Association for Nutrition penned us a blog, and other influencers supported us on social channels including Channel 4's Dawn Harper, Hugh Fearnley-Whittingstall and Master Chef winner Jane Devonshire.

Back to School
April & September 2021

To support parents/carers to up the veg content of children's packed lunch boxes we developed a 60 Second Lunchbox Hacks PDF including ideas and tips. We focused on veg in season including tomatoes, cucumbers and peppers and distributed it to 10,000 schools with help from MWW. Edition 2 will go out to even more schools in September.

Asparagus
May 2021

Working closely with British Asparagus we focused on the desirability and taste of this crop. We enlisted the help of chefs Tom Aikens, Tom Hunt, Jamie Oliver, Niki Webster of Rebel Recipes as well as Tik Tok sensation chef Poppy O'Toole to reach a wider and more diverse range of individuals.

We have much more planned for the next 12 months, bringing to life many of the ideas coming from this report. To keep up with all our latest campaigns register for our email newsletter: **www.vegpower.org.uk/register/**

Veg Power Schedule 2021-2022

	#SaladSticks
19-Jul-2021	Avocado
26-Jul-2021	Lettuce
02-Aug-2021	Radishes
09-Aug-2021	Celery
	Great British Veg
16-Aug-2021	Beans
23-Aug-2021	Spinach
30-Aug-2021	Sweetcorn
06-Sept-2021	**#Back2School** Seasonal Lunch Boxes
13-Sept-2021	Courgettes
20-Sept-2021	Beetroot
27-Sept-2021	Savoy Cabbage
04-Oct-2021	
11-Oct-2021	
18-Oct-2021	**Halloween**
25-Oct-2021	Squashes
	UN Climate Conference
01-Nov-2021	Profiling horticulture sector environment projects
028-Nov-2021	
	3 Meals Traybake
15-Nov-2021	Butternut
22-Nov-2021	Onions
29-Nov-2021	Sweet Potatoes
	Winter Roots
06-Dec-2021	Mushrooms
13-Dec-2021	Brussels Sprouts
20-Dec-2021	
27-Dec-2021	

03-Jan-2022	**#Back2School** Seasonal Lunch Boxes
10-Jan-2022	Parsnips
17-Jan-2022	Leeks
24-Jan-2022	Cauliflower
	#StirFryFrenzy
31-Jan-2022	Various veg
07-Feb-2022	Kale
14-Feb-2022	Purple Sprouting
	EAT THEM TO DEFEAT THEM (TBC)
21-Feb-2022	Carrots
28-Feb-2022	Sweetcorn
07-Mar-2022	Peas
14-Mar-2022	Broccoli
21-Mar-2022	Peppers
28-Mar-2022	Tomatoes
04-Apr-2022	Rocket
11-Apr-2022	**#Back2School** Seasonal Lunch Boxes
18-Apr-2022	Cucumber
25-Apr-2022	Spring Greens
02-May-2022	Asparagus
09-May-2022	Watercress
16-May-2022	
23-May-2022	Spinach
30-May-2022	Aubergine
06-Jun-2022	TBC
13-Jun-2022	TBC
20-Jun-2022	TBC
27-Jun-2022	TBC

The Vegetable Alliance

Veg Power is part of an alliance dedicated to increasing vegetable consumption in the UK – **Peas Please** from The Food Foundation that is driving access and availability of veg and **Veg Cities** from the food and farming charity Sustain that are working at the community level to increase engagement and uptake of veg at the local level. Here's a update from each of them:

Peas Please

Peas Please has a simple mission: to get people eating more veg.

The Peas Please initiative takes a systems approach to changing the UK food system; working to bring together actors from across the food system with the common goal of making it easier for everyone to eat veg. The richest 20% of the population now eat one portion more veg every day than the poorest 20%, with almost a third of children under 10 eating less than one portion of veg a day. Collaborative action from across the food system is urgently required if the UK is to truly become a veg eating nation.

So we work with food citizens, communities, cities and businesses, from growers, to manufacturers, caterers and retailers to help make veg more available, accessible and affordable. Together with our partners we work to change attitudes towards vegetables in businesses and communities, as well as advocating for policies that support vegetables.

162m portions of veg

With businesses we develop, obtain, and monitor commitments and initiatives from companies to grow, serve and sell more vegetables. To date over 100 organisations have made a 'veg pledge', and thanks to the concerted efforts of our pledgers to date we have succeeded in serving and selling an additional 162 million portions of veg. And we're only just getting started...

For more information about Peas Please head to our website, where you can also find the Peas Please Commitments Framework that our pledgers sign up to. Our latest report, Veg Facts 2021, examining the UK's current consumption rate of vegetables and what more needs to be done to accelerate veg consumption can be downloaded from the publications section of our website. Or alternatively, watch Hugh Fearnley-Whittingstall discussing this knotty question with an expert panel of speakers at June's Veg Summit event on the Food Foundation's YouTube channel.

Website: foodfoundation.org.uk/peasplease/
Contact us: peaspleasestakeholders@gmail.com
Follow us: @PeasPleaseUK

Veg Cities: Colour the town with vegetables

Veg Cities is a campaign of Sustainable Food Places led by Sustain in partnership with the Peas Please initiative. Our mission is to get more local organisations to grow, cook, sell, serve and save more vegetables and we work with a network of 25 cities and other local areas to make this vision a reality.

Almost 500 organisations are participating in the campaign by making different pledges. This collective effort has so far led to an additional 9.4 million portions of vegetables being served, 20,000 people involved in growing and cooking training sessions, 400 different initiatives to monitor and reduce food waste and hundreds of community gardens supported.

9.4m portions of vegetables being served

20,000 people involved in growing and cooking training sessions

Since the start of the pandemic, we've seen more organisations growing or cooking more to donate and more councils and other organisations working to increase the uptake of Healthy Start vouchers which are available to low income families to help buy milk, fruit and vegetables.

Website: vegcities.org
Follow us: @VegCities

Veg Advocates

Peas Please has recruited 180 Veg Advocates from across the UK to help in its mission to drive up consumption. **Veg Advocates** are passionate and come from all walks of life and many are already involved in initiatives in their own communities to help people eat more and better veg. This year they are engaging with businesses from across the supply chain to encourage more being done to up veg consumption. Next year they will be bringing their expertise and experience to their own communities to link the national work of **Peas Please** to communities across the UK.

THE FOOD FOUNDATION:

Policy Update

How supportive is current government policy of increased vegetable consumption?

A round-up of progress in a variety of different Government policy areas that do, will or could support more vegetable consumption.

Public Procurement

Defra has recently concluded a consultation on the current **Government Buying Standards for Food** (GBSF). This did not result in any significant change to the recommendations on veg, which currently state that 'meal deal options should include at least 1 portion of vegetables and 1 portion of fruit', and that 'menus shall be designed to reflect the natural growing or production period for the UK, and in-season produce shall be highlighted on menus'. The **Fruit and Vegetable Alliance** (a diverse grouping of large and small-scale fruit and vegetable producers, trade associations, and health/food initiatives such as Peas Please) are pushing for the standards to include two portions of fruit and veg per meal with a percentage from British producers. Defra's horticulture team has been engaging very positively with the Fruit and Vegetable Alliance, and they also meet regularly with senior Defra officials and Ministers through the Edible Horticulture Roundtable. Defra are likely to launch another consultation on the GBSF in the summer, so we are hopeful that this will be a good opportunity to push for more veg to be included in the standards.

The Queen's Speech 2021 announced a new **Procurement Bill** which follows the Green Paper on Transforming public procurement[17] which was released in December 2019. There is a risk that, without clear principles and standards, the Green Paper's proposals to 'speed up and simplify' public procurement and to adopt a principle of 'best value for money', could lead to a race to the bottom rather than a race to the top. It will be important to watch out for the impact that the Procurement Bill may have on the GBSF.

The Government has indicated that they will be working with Public Health England to revise the **School Food Standards** later this year. This review may also provide opportunities to encourage the Government to support children's veg consumption. The current standards for England require 'one or more' portions of vegetables to be provided each day at lunch.

The Food Foundation is calling for the School Food Standards in all four nations to require school meals to include 2 portions of veg.

The **School Fruit and Vegetable Scheme** currently provides a free piece of fruit or veg during the school day to children in England aged 4-6. The Food Foundation are calling for the scheme to be expanded to all children, and the Fruit and Veg Alliance are pushing for Government to fund a pilot of an Enhanced School Fruit and Veg Scheme linked to UK producers and Veg Power – these asks align well with the recommendations of the National Food Strategy (see below).

Environmental Land Management Scheme (ELMS)

ELMS is currently being developed to replace the Common Agricultural Policy (which UK farmers benefited from when the UK was part of the EU). ELMS is being developed on the principle of 'public money for public goods' – rewarding farmers for e.g. environmental outcomes.

Despite some robust debate during the passage of the Agriculture Bill through Parliament in 2020, public health will not be recognized as a public good by the scheme – meaning that explicit support for the horticultural sector as a means to improve fruit and vegetable consumption on public health grounds will not be possible.

Defra has said, however, that it is keen to address the historically low uptake of agri-environment schemes by the horticulture sector as they develop ELMS. The Fruit and Veg Alliance and those involved in the ELMS Horticulture Test and Trial ('Growing the Goods') argue that in its current form the Sustainable Farming Incentive (one of three incentive schemes planned under ELMS) will benefit very few horticultural growers. This is due to the area-based design of its payment mechanism/rate, and the lack of recognition of the diversity of production scales/systems utilized by the sector. Defra has insisted that it is still in the test and trial phase and that an effective horticulture standard will be developed.

Obesity strategy

The impact of obesity on the severity of Covid-19 outcomes has reinvigorated the Government's work on reducing levels of overweight and obesity, presenting new opportunities to promote increased vegetable consumption.

2020's Obesity Strategy40 included proposals to restrict advertising and promotions of unhealthy foods, and introduce mandatory calorie labelling for large out-of-home businesses, alongside a new public health campaign and expanding weight management services.

Compared to previous obesity strategies, the 2020 strategy included more policy proposals that sought to change the nature of the food environment, rather than relying on individual action. Most of the more structural policies that have been proposed to date, however, seek to restrict unhealthy foods rather than promote healthy ones. There is an opportunity for those seeking to promote veg consumption to exert influence here. Defra officials have indicated that the Government would be very receptive to ideas in this space.

National Food Strategy

Part 2 of the National Food Strategy was published on 15th July and included a number of recommendations for Government which, if implemented, would help increase fruit and veg consumption:

- Four national food-based dietary targets to be achieved over the next decade: 30% more fruit and vegetables, 50% more fibre, 25% less HFSS foods and 30% less meat by 2032.
- Mandatory annual reporting by all food businesses with more than 250 employees on sales of food and drink high in fat, sugar or salt (excluding alcohol), sales of protein by type (meat, dairy, fish, plant, or alternative protein) and origin, sales of vegetables, sales of fruit, sales of major nutrients (fibre, saturated fat, sugar and salt), food waste, and total food and drink sales.
- An expanded Healthy Start Scheme – expanding the eligibility criteria to support the diets of children <5 yrs and increasing the household income threshold to £20,000 (before benefits). There are also a number of practical recommendations for increasing awareness and uptake of the scheme, including a £5million communications campaign.
- A "Community Eatwell" trial programme in 7 areas, where GPs would be enabled to prescribe fruit and vegetables – as well as food education – to patients who are suffering the effects of poor diet and/or food insecurity. Funds available to these pilot areas could also be used to invest in local infrastructure and facilities that make it easier to eat healthily and affordably, such as community kitchens, fruit and veg street markets, community farms and box schemes, and community cafes.

- A new “Eat and Learn” initiative for schools to encourage cooking skills and food knowledge. This would include changes to the curriculum, Ofsted becoming responsible for assessing the quality of food in schools, and the current funding for the School Fruit and Vegetable Scheme doubling and being devolved directly to schools to allow them to procure higher quality produce from local suppliers. There may be opportunities for Veg Power to be involved here.
- New investment of £1bn to be spent on research and development to help improve the national diet, develop sustainable farming practices and protect the environment. This innovation fund includes a specific reference to support for the edible horticultural sector.
- Strengthened Government procurement rules to ensure that taxpayer money is spent on healthy and sustainable food, including mandatory buying standards for public bodies (including schools) and a mandatory accreditation scheme for all public institutions, working with existing certification bodies such as Food for Life.

None of these recommendations are yet official Government policy. A Government White Paper will follow the release of the National Food Strategy Part 2 within 6 months of publication. A response team has been established within Defra and will be working cross-Government to develop the White Paper.

Climate change targets

The Committee on Climate Change are advising that a reduction in beef/lamb/dairy consumption of 20% will be required if we are to meet our climate targets. Whilst the Government have not yet formally responded to that recommendation, there is a real opportunity to sell increased vegetable consumption as a positive for both health and sustainability. Defra officials are supportive of this.

Veg Power Chair Baroness Boycott and adviser Hugh Fearnley-Whittingstall in discussion with Victoria Prentis MP, Parliamentary Under-Secretary of State for Farming, Fisheries and Food

Ministerial positions on veg/horticulture

The Prime Minister is personally very invested in the success of the Obesity Strategy.

Defra Secretary of State, George Eustice, and Parliamentary Under Secretary of State, Victoria Prentis, have a good understanding of the needs of the horticultural sector and are keen to support its development.

DHSC Parliamentary Under Secretary of State, Jo Churchill, has been supportive of efforts to improve Healthy Start take-up and to involve retailers in adding value to the scheme.

Department for Education Parliamentary Under Secretary of State, Vicky Ford, is regularly engaging with the Food Foundation and their Young Food Ambassadors regarding school food.

Veg in Parliament

The EFRA Committee have conducted several recent inquiries which touch on issues of relevance to veg. Their inquiry into 'Public Sector Procurement of Food'[42] encouraged the Government to update the GBSF to include greater support for 'buying British' and to take account of (amongst other things) sustainability and climate change. Requirements for additional fruit and vegetables within public food procurement, or a greater number of vegan/vegetarian options were mentioned as potential ways of improving environmental sustainability. A recent inquiry into 'Labour in the food supply chain'[43] looked in detail at seasonal labour within the horticultural sector – including the Seasonal Workers Pilot and the 'Pick for Britain' Covid-19 horticultural recruitment programme – encouraging the Government to increase the cap for the Seasonal Workers Pilot in 2021. The Committee's two inquiries into 'Covid-19 and Food Supply'[44] explored food parcels and surplus food redistribution during the pandemic, including of fresh produce. EFRA Committee Chair, Neil Parish MP (Tiverton and Honiton, Conservative) continues to be very supportive of the work of Veg Power and the PeasPlease initiative.

A new **APPG on Fruit, Vegetables and Horticulture** has recently been launched by co-chairs Theo Clarke MP (Stafford, Conservative) and Rosie Duffield MP (Canterbury, Labour). Theo Clarke MP has stated that she hopes the APPG will 'enable MPs and Peers to demonstrate in Parliament that they back British farming'.

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