



Review of the bakery year

In a challenging year of change, Ron Alalouff reports on some of the highlights in the Federation of Bakers' annual report.

While the disruption caused by Covid-19 in terms of employee absence continues to need careful management, we are now learning to live with it rather than face the challenges of lockdowns and – for the most part in this respect – it's business as normal.

This was one of the messages to come out of the Federation of Bakers (FoB) chief executive's annual review for 2022. The war in Ukraine has created a global crisis in humanitarian terms as well as for food and energy supplies and associated inflation. To this end, the FoB held a meeting earlier this year with Defra's director general for food, farming and biosecurity to discuss the pressures facing UK bakery businesses, due to rising energy prices and uncertainty over the supply of raw materials.

As the consequences of Brexit play out, the review said, some broader technical issues have emerged which need more consideration. These

include developments in EU policy on acrylamide and the impact this may have on future UK legislation, so the federation is liaising with the Food Standards Agency to discuss how the UK government plans to address the changes.

The FoB prepared a position paper on the bread and flour regulations, which are expected to be published this year. It highlights that federation members and the baking industry in general are the single biggest users of fortified flour in the UK. The bread and flour technical working group is considering the following: defining sourdough; fortified flour and its export to the EU; calcium levels; and marketing terms guidance.

On public health policy, the report set out the following developments:

Salt reduction: Consolidated and anonymised salt data from members was submitted to Public Health England and published on the members' area of

the website. The federation also set out the industry's position on the challenges posed by further reductions, although the UK Health Security Agency – Public Health England's successor – is pushing ahead with reductions.

HFSS Foods: The introduction of new legislation restricting the promotion of HFSS (High in Fat, Salt and Sugar) foods has been postponed until October 2022. The Food & Drink Federation is reviewing the guidance and seeking clarity for its members ahead of the implementation date, and has called for the advertising restriction policy to be delayed by at least one year after publication of the final guidance.

Dietary fibre: Members have been briefed on the new Food & Drink Federation's Action on Fibre, aimed at championing foods which provide a good source of fibre. Several members have signed up to the campaign, as it will encourage bread consumption and highlight its nutritional benefits.

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The National Food Strategy – an independent review of England’s food chain by Henry Dimbleby published in summer 2021 – introduced the increasing use of the term ‘ultra-processed foods’. According to the federation, the terminology is based on the Nova classification which has no scientific basis and only takes into account processing and not nutritional content. Sliced and wrapped bread has been included in the definition and the media are increasingly using it to describe bread. “We have written numerous letters urging journalists not to include UK sliced and wrapped bread in the definition, as we firmly believe it does not belong there,” said the report.

The draft code of practice on sourdough – the first to address the nature, production and labelling of sourdough products in the UK – continues to be discussed. It is understood that the supply chain has familiarised itself with the contents and members have endorsed the latest version.

Factsheets and position papers which have been reviewed over the past 12-months include those on water and sustainable palm oil; salt in bread; bread shelf life; soya flour in bread; folic acid; and a consumer factsheet on processed foods. Following an approach by Trading Standards, the federation has reviewed the industry code of practice on bread weight checking and removed it from the website, pending the document being updated.

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The FoB’s diet and health link project is progressing. Three new projects in the Campden BRI member-funded research programme will have a potential impact on the bread industry including studies on calorie reduction, fibre enhancement and plant proteins. Two other projects may also be of interest: one on the safety of products going through the milling



process for use in animal feed; the other on the microbiological safety of longer life products.

The following progress on technical and regulatory issues has also been made:

Acrylamide: Consolidated industry data on acrylamide levels has been shared with AIBI (International Association of Plant Bakers) and other stakeholders who participated in the survey. This data will be collected annually and published on the members’ area of the FoB website. The AIBI’s position papers on acrylamide will be used to demonstrate levels across Europe, and to lobby the European Commission against the possible introduction of maximum acrylamide levels. The UK is in the early stages of collating data on reported levels of acrylamide in foods, in order to determine if the implementation of ‘maximum levels’ is appropriate.

Opium alkaloids in poppy seeds: The EU is preparing draft regulations on maximum levels of opium alkaloids, with a proposed limit of 1.5mg/kg for baking products containing poppy seeds and/or derived products. UK consumer habits mean that a tailored approach should be taken, and the FoB will be encouraging data collection to help with this.

Titanium dioxide: In February 2022, an EU ban on using titanium dioxide (E171) in food came into effect. While titanium dioxide remains a permitted food additive in Great Britain, its use is being assessed by the UK’s Scientific Advisory Committee.

Ethylene oxide: The Food Standards Agency has advised that ethylene oxide in xanthan gum is not compliant, and any non-compliant products should be withdrawn from the market.

Inorganic arsenic in food: A draft Commission Regulation is proposing maximum levels for arsenic in rice flour and children’s formula containing rice and salt.

“As the global pandemic continued for a second year,” said Andrew Pyne, recently appointed chief executive of the Federation of Bakers, “the UK bakery industry maintained its focus to ensure the nation continued to be supplied with bread, as it faced the increased demand for bread and bakery goods. We represented our members’ interests as clarity unfolded around the issues of Brexit and the supply chain. We built on the strong relationships we had established with government and stakeholders across the supply chain.” **FMT**

Change and challenge is baked in

FMT spoke with Laurence Smith – managing director of Fatherson bakery and non-executive director of BAKO – about the trends and prospects for the bakery sector.

Award-winning Fatherson Bakery uses ‘traditional handmade methods’ to create cakes with the “taste of homemade”. It produces a range of cakes, pies, tray bakes and snack bars which are sold through supermarkets, symbol groups, independents, and garden centres. Its most popular lines include lemon drizzle loaf cake, rich fruit loaf cakes, and Victoria sponge cakes.

Q What are the main trends for the bakery industry?

The last couple of years has been unique for the world and the UK, with the Covid pandemic, Brexit and the war in Ukraine. Although the hospitality industry had been challenged by the pandemic, the grocery sector in general and bakery in particular witnessed an explosion of growth. Unable or unwilling to go out and socialise, people spent more on food from retail outlets. Consumers also directed their spending more with local high street shops, garden centres and online. Looking at the trends now, people have so far maintained their renewed loyalty to local retailers, so growth continues which is great news for bakery business like Fatherson Bakery.

Q What are the challenges that lie ahead?

The biggest challenge for the bakery sector at the moment is the supply and cost of ingredients. Around 25% of flour comes from Ukraine and Russia, and increased grain prices have impacted in price rises for eggs. Meanwhile, oil has leapt in cost, impacting on the other ingredients such as vegetable oils and margarines to name a few. These factors are impacting businesses across the bakery sector, as well as other industries and food generally.

Q How is the tight labour market affecting the bakery sector?

Labour still remains a challenge in the industry. Up to a couple of weeks ago, we were very much challenged to fill all of our permanent vacancies. Although we pay above the minimum wage, together with other incentives, potential staff are attracted to larger retailers who are offering a host of work promises. Brexit hasn't helped – it's had a massive impact on the availability of workers from outside the UK. Businesses such as ours are particularly labour-dependent, as we put an emphasis on home-style baking and hand-finishing.

There are so many moving parts in terms of labour, distribution and ingredients costs, so the situation is still challenging. But we're all pretty resilient and very flexible as a business, putting into place new business strategies which are taking us in new and exciting directions.



> Laurence Smith.

Q How are bakers such as yourselves dealing with pressures to reduce sugar?

We are always looking at how we can deliver great tasting cakes while reducing the amount of sugar, and we are fully behind campaigns for balanced diets and exercise. Having said that, at the end of the day consumers are buying cakes for a sweet treat. However, we have various new product development initiatives in place where health and wellness is key.

Q What is the sector doing about improving sustainability?

The main push for greater sustainability and better eco-credentials is around packaging – the goal should be using 100% recycled or recyclable packaging. In addition, the amount of packaging should be minimised to keep it as simple and eco-friendly as possible, especially with the advent of the plastic packaging tax.

Bakery businesses should also be looking at their waste management policies. At Fatherson Bakery, none of our waste goes to landfill – packaging is recycled and food waste is used for bio-fuel. We are also looking at the prospects of using electronic vehicles for our delivery fleet, but at present the range between charges is too small for our needs.

Some bakeries are already implementing steps towards greater sustainability, but others are behind the curve. It's all about what we can do for future generations. **FMT**