

Hungry for growth

Viewpoint | Executive summary

December 2024

The food system is essential to the UK's future success. Our producers, manufacturers, retailers and restaurateurs all play a vital role in feeding the nation and underpinning the UK economy. Yet, the foundations are often overlooked in favour of new growth sectors. Protecting our critical national infrastructure and maintaining a stable economy must be the first priority - only then can growth opportunities be fully unlocked and together we can build a thriving food system.

The critical role of the food system

- ▲ The contribution of the UK food system to the economy is underestimated.
- ▲ Firm foundations are the first step in unlocking significant growth opportunities, with sectors like food needed to sustain economic output and maintain employment.
- ▲ As we look to the future, a more unstable world is driving significant risk into the food system.
- ▲ Investing in key categories, including poultry and horticulture, is needed to meet growing domestic demand and build resilience.

Challenges for the food system

- ▲ The Autumn Budget has significantly increased costs for businesses in the food system.
- ▲ IGD expects retail food and drink prices to rise in 2025 by 2.4-4.9%, with a mid-case average of 3.4%.
- ▲ Inflation in the away-from-home market is also expected to exceed previous estimates.
- ▲ Food prices have increased by 40% since 2020, leaving the least well off vulnerable to higher food inflation.

Unlocking growth

- ▲ Now more than ever the UK food system needs greater focus from government in order to support economic growth and build resilience.
- ▲ Government and industry must work together, with a different, more strategic approach.
- ▲ Businesses across the food system are willing and ready to invest in our food system.
- ▲ Investment can be unlocked by overcoming a number of regulatory hurdles including reforming the planning system and addressing long-term skills gaps through a new growth and skills levy.

Read our full Viewpoint report [here](#)

Economics from IGD

