

How Covid-19 has changed the way we shop and eat, and what will 'new normal' look like?

SAOS's Amanda Brown looks at consumer behaviour in lockdown, and wonders which of these changes may be here to stay.

The UK went into lockdown in March, changing how we lead our lives almost overnight. With schools, restaurants, pubs, cafés, leisure and retail outlets closed, and non-essential travel strongly discouraged, we are to work from home if possible and only go outdoors for essential shopping and exercise. Our everyday vocabulary has expanded to include coronavirus, Covid-19, pandemic, self-isolation, lockdown, social distancing, respirators, asymptomatic, furlough and unprecedented.



Panic buying saw March's grocery sales exceed December's, with over 660 million shopping trips made, with almost £11 billion spent on groceries, that's 93 million more trips than March last year (*source: Kantar*). It was the biggest shopping month ever and resulted in empty shelves, sold out stock, and supply chains being pushed to their limits to replenish stocks to meet this high demand. What we bought changed too, with store cupboard and freezer items more popular as concerned shoppers stockpiled supplies. 'New normal' behaviour involved queuing to enter shops, restricted item quantities, bigger shopping trips less often, frequent emails from CEOs about their store and staff policies, and a surge in demand for online grocery deliveries, and that was just in retail.



The closure of pubs, cafés, hotels and restaurants had a very different impact on food and drink supply chains. For many in the Scottish food and drink community, demand for their produce disappeared overnight. Immediate fallout was that milk was no longer needed for daily deliveries to schools, coffee chains and cafés. Premium meat cuts no longer required by higher-end venues affected carcass balance and supply into the retail supply chains. The wider effects mean others who produce premium added-value products have seen traditional routes to market closed, with no other potential markets available short-term. On top of this, much of this produce is for export markets which have slowed or closed, with foodservice outlets in international markets also in lockdown. Retail supply chains put under pressure have been resilient, reacting and adapting to demand through innovative solutions from farmers, growers, manufacturers, logistics operators and the retailers themselves, to ensure that we can still 'Feed the Nation'.



Many operators in the foodservice supply chain have been working together, re-organising and re-deploying their staff to help deliver food to the needy and vulnerable and those self-isolating. Innovative solutions have also seen foodservice products diverted to retail. But there have been casualties and there will be more, as this channel accounts for just under 40% of food and drink consumed in Britain.



Spring is often a time of near self-isolation on many farms as new life arrives and new seeds are sown. But farming too has many challenges to face with the unknowns of what demands the market will have in six months time, with export markets currently closed and doubt over future demand for crops newly planted. There is also fear of a lack of labour and the impact this may have on harvesting. Manufacturing has also been challenged, with absenteeism and staff availability at all skill levels, social distancing issues in factories, uncertainty around key worker status and access to PPE equipment for some sectors.

As we move into Summer, I am hopeful that many of these challenges can and will be overcome. The Scottish food and farming industry is strong and resilient and we are already seeing business being

undertaken in new and different ways. A highlight of the last few weeks was the acknowledgement, by all the UK administrations, of how crucial farming, food and retail employees are. For too long the food and drink supply chain has been taken completely for granted, with most consumers having no thought for the scale and complexities of producing and supplying enough to sustain us. Our sector does a critical job and the newly-launched Support Local and Quality Meat Scotland marketing campaigns should help further promote this to the Scottish public at a critical time, particularly when there is so much competition from elsewhere.

Farmers markets are also currently closed, and this has meant that many local producers have had to diversify to protect their business. Many have gone online and are working around the clock to meet demand from local shoppers. We've seen other local initiatives creating hubs for consumers to buy from. Farm shops remain open and retailers such as butchers and bakers are offering home delivery. Local neighbourhood stores, including co-ops, have seen strong sales as people avoid travelling and don't want to stand in long queues.

The environment has undoubtedly benefited from the lockdown, with pollution and green house gases falling, and city dwellers enjoying the sights and sounds of Spring like never before. However, the economic reality and pressures on individuals and businesses are likely to see sustainability drop down the priority lists, certainly in the short term.

Technology has been a godsend for many during the last few months and has allowed us to stay in touch with family, friends and colleagues. Meetings, training, drinks with friends, quizzes and exercise classes are all now commonplace online.

Less cash is being used with 60% fewer withdrawals from ATMs. With 50% of the UK already predominantly cashless and with payment card transactions rising over the past few months, this may be a trend here to stay.

Footfall in grocery stores has now reached a record low. That will come back up, but the longer the lockdown continues, the bigger the impact on consumer behaviour. Inevitably, there will be a loss of income and jobs, which will affect consumer spending and choices, including on food and drink which will further impact on brands and retailers. The hospitality sector may suffer for longer with consumers less willing to leave home. Technology will remain an important part of our lifestyles and online grocery shopping will continue to have a greater share of food and drink spend. Home working has proved how productive we can be – and may well mean we travel less for work in future.

But what to the future and the impact of Covid-19? There will be some short-term pain as our markets recover and adapt to what may become a new normal, supply chains and sales will build again as outlets and routes to market re-open. We need to ready. We need to be resilient and strong, to be innovative and be able to adapt, and we need to be ready for the challenges and opportunities that our supply chains will offer us.

None of us expected anything like this pandemic, none of us was prepared for the disruption it would cause us, but many will come out of this stronger than before by working together.



So what can we do about it?

We know there are many challenges and that our world has changed dramatically, but what opportunities does the situation present farmers? We've seen some great examples of farmers around the country embracing the opportunity to sell directly to the local public. Who wouldn't jump at the chance to sell more produce at a better price to their 'local market', whether that be within 10 miles or throughout Scotland.

Depending on what you produce, selling directly brings many and various challenges. Access to facilities, logistics and processing for starters, and the fact that many consumers still expect a range of offering available that meets their individual needs and desires. Most farmers have nothing like the spare capacity required for investment in technology, marketing, ordering and payment systems, and that's just the tip of the iceberg. So what's the solution?

How great would it be if individual food producers could work together to supply local consumers with all the core products they want? Producers of goods such as eggs, dairy, beef, lamb, pork, poultry, fruit and veg, and bakery, all pooling their time and resources to acquire the various resources needed to build and develop a focused, farmer-owned local supply business. This would be very attractive for consumers who we know want to support local businesses if they can. Farmers by nature need to be multi-skilled, but surely it makes more sense to invest collectively in areas such as logistics and sales and marketing, rather than incur all these costs alone as individual farmers?

SAOS's co-op members understand that together we can do things that we couldn't do alone. With pooled resources, co-ops provide a route to multiple benefits for their members, all of which are vital in times of trouble: greater efficiency, productivity, profitability, managed risk, access to expert advice on innovation, data, marketing, and research and development. All of these are needed to adapt to the new normal. And, perhaps even more so, is knowing that you are not alone when things are truly tough. Times of adversity tend to encourage co-operation and the formation of new co-ops. Never have we seen a time when co-operation was more important, because we're all in this together.

Find out more about the benefits of co-operation and Scotland's farmer co-ops at www.saos.coop