



Llywodraeth Cymru
Welsh Government

REPORT

Food and Drink Wales Industry Board: update from the Chair (June 2022)

The latest on how the Welsh food and drink industry is coping with Brexit, Covid, and the crisis in Ukraine.

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We are now halfway through yet another challenging year. The good news is that our industry is coping with the relentless challenges posed by the “perfect storm” of Brexit, Covid and the situation in Ukraine. Despite this, I know that many businesses are in survival mode and I’m constantly hearing reports that things are tough, that it is a challenge passing rising costs on to customers, and of course labour continues to be in short supply. I am more than aware that the current market conditions are tough for the industry. Yet, despite these challenges, I remain proud that I work in an industry which has yet again proved to be highly resilient and is keeping the UK’s food supply going.

Looking forward, I passionately believe that Welsh food and drink is perfectly placed to thrive when markets recover, and things improve. This is not blind optimism but instead a sense of inexhaustible sanguinity that the ingredients of our future success are already in place.

What do I mean by this? To illustrate this point, I’d like to focus on one opportunity – innovation.

I am passionate about the role innovation can play in a successful and resilient Welsh food and drink sector. You only have to reflect on the fact that 285 new products were launched in Blas Cymru last October to see that product innovation is alive and well in Wales. Innovation is the life blood of our industry because it allows us to respond to ever changing market changes and trends. It allows us to add value to our primary produce in Wales and it creates opportunities for skilled employment. It allows us to gain competitive advantage in UK and global markets and puts us in a position to defend the markets we value for the future.

In Wales, we have some of the best food and drink innovation centres in the World. Under the “Food Innovation Wales” banner, we have the *Food Centre Wales* in Ceredigion, the *Food Technology Centre* at Grŵp Llandrillo Menai and the *ZERO2FIVE Food Industry Centre*, Cardiff. Their work with SMEs on new product development and securing accreditations is exemplary. In addition, we

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have the new *Aberinnovation* and Future Foods centre near Aberystwyth which I visited in June - it has first rate capability in addressing both the dietary challenges in our population and the sustainability challenges in the food supply chain. *AMRC Cymru* at Broughton will support businesses to adopt the latest technology in manufacturing delivering productivity improvements and better business as a result. Please do get in touch with these centres if you have an innovation idea or need help.

In 2014, the Welsh Government Action Plan for the food industry set a goal to achieve £7 billion turnover by 2020. The target was not only achieved but exceeded one year early in 2019. Together I believe we can achieve our new target of £8.5 billion turnover by 2025 despite the trading challenges we continue to navigate. I believe that innovation will be key to us achieving our next growth target.

Now onto more social matters! After a two-year break, the Royal Welsh Show will commence on 18th July. The Food & Drink Wales Industry Board which I Chair will be there and we would love to meet as many of you as possible. The Board is focusing on key priorities including people, skills, sustainability, innovation, technology and we would like to hear your views on these important issues. We are also advising The Minister on the Community Food Strategy which is being established to encourage the production and supply of locally sourced food in Wales.

And one final good bit of news, if you're not already aware the BBC Food & Farming Awards will be coming to Wales for the first time in October which is real recognition of the growing role and influence that Welsh Food & Drink is playing on the UK food map.

Thank you for what you all continue to do for our vital industry.

Andy Richardson, Chair of the Food and Drink Wales Industry Board

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