



Dear all

At the time of writing, the Welsh food and drink industry has been under the shadow of the coronavirus pandemic for an entire year. We know it has been an incredibly difficult and disruptive time for many businesses, particularly when combined with the dual challenge that has come with the impact of the UK's exit from the EU.

However, the success of the vaccination programme across Wales and the rest of the UK is a promising and positive step in the right direction and we hope it will allow hospitality businesses to begin to reopen in time for the important summer holiday season and for those supply chains to thrive once more.

With this recovery and reopening in mind, the Board has been working closely with Welsh Government to help shape its sustainable brand values campaign and our future strategic vision for the food and drink industry. These are important elements for our future because they will shape our approach to the domestic, UK and global markets. We have also welcomed five new members to the Board to help support and steer the industry through this crucial time. They bring with them a real breadth of experience to strengthen the work the current Board is already doing in ensuring the sector's continued success.

We also continue to work very closely with the Cluster groups. The Drinks Cluster recently shared the successes of its Welsh Drinks Christmas campaign with the Board and its plans to continue similar campaigns throughout 2021. Board members are connected to specific Cluster groups and work to encourage and developing online sales, help build resilient business models, address risk management, look at added value to supply chains, signpost to affordable finance, and develop industry accreditation, training and skills.

Of course, since my previous update, the impacts and effects of Brexit have also begun to reveal themselves. Although some businesses are now noticing trade flows beginning to improve, we know there have been some significant struggles with the new rules surrounding exporting since January 1st, particularly in Groupage, Products of Animal Origin and with Northern Ireland.

Many businesses will have begun preparing for import rules to change on April 1st but at the time of writing these changes have been postponed. This will be a welcome space for many businesses which are yet to prepare for import variations and give others more time to look into their supply chains and plan for any issues and impacts.

On 4 March 2021, the European Parliament postponed its ratification decision on the TCA (Trade and Cooperation Agreement) which had been planned for 25 March due to disagreement on trade with

Northern Ireland. Discussions are ongoing but in theory this means there is still a risk that tariffs could become a reality in May if agreement cannot be reached over Northern Ireland.

As I've said before, in this uncertain context and climate we are living in, it is more important than ever that Wales remains agile and open to the opportunities that any FTAs (Free Trade Agreements) present. We currently only export around 10% of our food and drink and despite the current challenges in exports, there is opportunity for much more. We need to ensure we have a strategy on international policy, be clear where we have competitive advantage and have both offensive and defensive plans within these export strategies.

The Food and Drink Wales Industry Board is here to support the sector in this, by listening to businesses, being clear about what Wales wants out of these deals and by having insight into negotiations at all levels of government, both in Wales and Westminster.

As a Board we are very keen to continue to engage with industry. Please do get in touch with me or any of the individual Board members to raise concerns, flag specific issues and share your successes – it is only by working and learning together that the industry can continue to flourish.

With my ongoing thanks to the many businesses that have weathered storms of all kinds, worked to keep the nation fed and fought to keep businesses and jobs afloat in these very difficult times.

This collaboration, agility and our inherent quality will help us to secure our industry's future prosperity and growth.

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