Agri-Food – A Review of Research and Monitoring Activities 1999-2009

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Executive Summary

This report is designed to provide an overview of the activities undertaken in support of the Agri-Food Strategy since 1999 and to identify the monitoring and evaluation carried out.

It covers samples of documentation and research summaries of major reports over the period, in three main sections:

- **Strategic Activity** and the development of the agri-food strategy and constituent action plans, along with their updates up to 2008.
- **Programme Level Activity** including research in support of agri-food activities, monitoring of headline programmes, such as True Taste and the comprehensive consumer perception tracking surveys over the period.
- **Local Activity**, covering a sample of local research arising out of FMDD support, allowing locally-based actions to become self-sustaining in a professional and competitive manner.

This report is not intended to provide an analysis of results, but simply to report on the breadth and depth of activities undertaken to date and planned in the near future.

The overall message is that in the earlier stages of activity, the bulk of monitoring and evaluation work was carried out either internally, or for internal purposes in shaping programme delivery. Under the new RDP, the emphasis is changing completely to a robust, co-ordinated evaluation programme which links activities at project, programme, measure and axis levels to provide a uniquely cohesive evaluation system.

Officials will be working with the Wales Rural Observatory to develop a research and evaluation project for 2009/10 that will help establish baselines for use in current programme evaluation, consider progress to date and propose options for future action.

1. Introduction and Purpose

1.1. Approach

This report is designed to provide an overview of the activities undertaken in support of the Agri-Food Strategy since 1999 and to summarise the evaluation and monitoring in this period.

It comprises a light touch literature review of the significant amount of documentation arising from research, monitoring and evaluation activities carried out during the period 1999-2009. It does not seek to analyse the results, or to provide an evaluation of the success or impact of these activities. Rather, it presents an audit trail of some of the many activities carried out in support of the Agri-Food sector. In doing this, it does not provide a comprehensive list of all the many and varied activities carried out in the period, but offers examples of the kind of work carried out in support of the Strategy and the sector.

The structure of the report is as follows:

- This section describes the approach and the background to the Agri-Food Strategy
- Section 2 looks at activities carried out at a strategic level within the Strategy
- Section 3 drills down to programme level activities, including consumer awareness studies
- Section 4 looks at a sample of local actions, resulting from funded activities
- Section 5 covers additional services provided to the food sector in support of the Strategy
- Section 6 lists some brief conclusions
- Appendix 1 provides a guide to the documentation covered by the review

1.2. Background to the Agri-Food Strategy

The Agri-Food Partnership was established in 1999, bringing together public and private sector partners from all parts of the supply chain. At that time, three sector groups were established, leading to action plans for red meat, dairy and organic production. In addition, a Farm Development Group was convened, to look at issues affecting all sectors of primary production.

In 2001, a review of the Strategy was published, under the name Towards 2003. Two additional sector groups were added in 2002, developing action plans for fisheries and aquaculture, and horticulture.

The overall strategy was revised in 2004, in the document Towards 2007 and individual elements of the Strategy have been updated since then.

The Food and Drink Strategy is currently in the process of being updated and a revised document is expected to be produced by March 2009. Two reports currently in preparation will feed into this – one on Local Food (due late February 2009) and the Food Tourism Strategy (due March 2009).

1.3. Overview of Activities

At a strategic level, FMDD works to direct policy effectively to address both expected and observed market drivers. In the period since 1999, there have been some significant impacts on the agri-food sector in Wales, perhaps most notably the foot and mouth epidemic in 2000, which had a profound effect on food production and diversification businesses such as tourism. More recently, the relative devaluation of the pound against both the Euro and the Dollar have provided market opportunities for the sector and have led to strengthening of market prices. At the same time, the onset of recession has produced significant trading difficulties for a number of major processors and food manufacturers and retailers, despite the major supermarkets demonstrating resilience to these.

Trends in consumer tastes have continued to develop, with an overall reduction in consumption of fresh meat and dairy produce, an increase in fruit and vegetable consumption and a continuing preference for ready meals. However, there have been some significant shifts towards local and provenanced foods, a mainstreaming of organic produce and an awareness of food miles.

In the face of such rapidly changing market conditions, FMDD carries out a continuous programme of monitoring trends, assessing factors impacting on producers and processors and updating policies and programmes to anticipate or meet such changes.

In addition to policy development, the results of continuous programme monitoring are fed back at regular management review meetings. This results in a rapidly changing support offer to the sector, taking account of changes in local, regional and national conditions.

Market intelligence is gathered from a number of primary and secondary sources, with results being made available to the agri-food community. This supports the development of a well-informed sector, which will be better placed to take advantage of market opportunities or to weather economic storms.

At a local level, FMDD has supported the development of good practice in monitoring and evaluation, for example through encouraging Food Festivals to conduct robust business planning or to carry out their own visitor research to estimate local economic impacts.

Planned Activity

FMDD has taken an increasingly rigorous approach to evaluation and monitoring. Since the merger of the former WDA with the Welsh Assembly, FMDD has been working towards the development of the new Welsh Food and Drink Strategy. During this period, programme reviews in support of the new strategy have been carried out internally. However, third party consultants will be engaged to benchmark existing data to inform new and reshaped programmes.

The Food Policy Team, in conjunction with EcAD and SD is commissioning a series of projects at present:

- **Adding Value to Welsh Primary Produce** - this project aims to determine the current level of adding value in Wales. The work will include a survey of 250 food producers in Wales, along with a control group of non-beneficiaries and is likely to develop an econometric approach to assessing value added in Wales. This will provide a baseline which can then be used to measure the success of schemes such as PMG and SCE. The project is currently going through the e-portal procurement process and will let by March, for completion by Autumn 2009.
- **Review of previous PMG scheme -** the aim of this project would be to revisit a proportion of the companies awarded PMGs and see where they are now. A delay in commissioning this work has been due to data management, as currently all the information is contained in paper files. To analyse the data held it would need to be transferred to an electronic version. Such data inputting is costly and for best value, time needs to be put in to determine what exactly needs to be analysed. It is hoped to progress this in the near future.
- The team is also meeting shortly to discuss requirements for the **Mid-Term Review of the RDP** and to develop a project specification for **evaluation of the Food Centres**.
- FMDD is commissioning a comprehensive **external review of the Supported Food Festivals in Wales,** which will be carried out from Spring 2009.
- An external evaluation of the **Supply Chain Efficiency Scheme** is also being commissioned, based on data monitoring guidance prepared internally.
- A **Baseline Study of Farmers' Markets** is also to be tendered in Spring 2009.

In addition to these activities, a highly robust and innovative approach to monitoring evaluation is being devised in support of the current RDP. The level of evaluation under the programme has been upgraded to comply with the European Union Common Monitoring and Evaluation Framework (CMEF). During the 2000-2007 Leader round, WEFO used the programme as a pilot to look at definitions for outputs, impact and resources. The then WDA provided a heavily supported development activity to identify activities, outputs and evidence, from which a data dictionary was compiled, which in turn informed the development of Medrus. This is a tailored software package used to capture data in a meaningful and consistent manner, to allow outputs and impacts to be measured. Under the system, beneficiaries are required to submit quarterly reports in support of claim forms for funding, ensuring that data collection is both regular and robust.

Under the new RDP, the requirements of the CMEF have been applied to Medrus, ensuring an effective and current means of ensuring robust data collection. Updated software to support this will be available by July 2009, providing a system which links activities at project, programme, measure and axis levels to provide a uniquely cohesive evaluation, unavailable in the other countries of the UK.

Officials will be working with the Wales Rural Observatory to develop a research and evaluation project for 2009/10 that will help establish baselines for use in current programme evaluation, consider progress to date and propose options for future action.

2. Strategic Activity

This section examines work done in developing the original elements of the Agri-Food Strategy and in updating it since 1999.

2.1. Welsh Agri-Food Action, Plans for the Lamb and Beef, Dairy and Organic Sectors, March 1999

The lamb and beef, dairy and organic sectors were the original three agricultural sectors which fell under the remit of the Agri-Food Partnership, although other sectors have since been added. This report summarises the findings from a study of the three original sectors in Wales, and the ensuing Strategic Action Plans (SAPs) which emerged for these sectors. The study's objective was to develop SAPs to support each sector. Each plan included a SWOT analysis of the sector, a Strategic Framework of broad goals and detailed objectives, specific projects and programmes of support and delivery mechanisms for implementation. A review of each individual report is set out below, but this executive summary provided the background context to the study and overview of outputs for each sector.

The study also identified a number of key actions for support of farmers across the sectors including planning for a Wales-wide network of demonstration farms, providing training to farmers in business and IT skills and improving supply of and sign-posting to consultancy and advisory services for farmers. In addition there are a number of actions for supporting processors, focussed on reviewing current needs of the sector, offering business development support and signposting to funding.
The delivery mechanism section sets specific tasks and responsibilities for key national and regional organisations including National Assembly for Wales, (the former) WDA, Agri-Food Partnership for Wales, Sector Task Forces, Farm Development Task Force and Regional Agri-Food Partnerships.

In the final chapter, the report identifies a number of generic issues affecting this sector as a whole including:

- Widespread demand for national branding of Welsh agrifood Produce;
- The scope which exists for registration of Welsh agri-food products under the EU Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI) arrangements;
- The need for improved access to grant funding;
- The need for a stronger industry information base upon which to develop their competitive strategies and to monitor and evaluate performance; and
- The role of centres of Excellence for the sectors.

2.2. The Welsh Lamb & Beef Sector - A Strategic Action Plan, March 1999

The SAP for the Lamb and Beef Sector was prepared by the Welsh Lamb and Beef Industry Working Group. At the time of its publication, the industry was fragmented with a large number of small producers heavily dependent on subsidies. Whilst sheep slaughtering continued to follow an increasing trend, with over four-fifths of Welsh produced sheep slaughtered in Wales, the Beef industry witnessed a gradual decline in the overall number of cattle slaughtered in Wales and an increasing net outflow to large abattoirs in England. Moreover, beef production had fallen nationwide, as a result of the BSE crisis.

A key strength of and future opportunity for the sector was the large supply of stock raised mainly on natural grass/forage systems by experienced farmers with good environmental management, reinforced by future Tir Gofal schemes. Moreover, the sector had an excellent reputation for natural production systems, animal welfare practices and positive environmental impact.

However, negative aspects of the sector included fewer animals in target sector for conformation and fatness, severe dependency upon small farms, poor marketing and low awareness of Welsh meat as a brand/image, and a relatively inefficient supply chain.

The Strategic Goals and associated Action Points within the SAP for the Lamb and Beef Sector are detailed in the table below.

Goal	Action
1. To differentiate Welsh lamb and beef products in the market so that they compete more on quality and less on price	I. Welsh Lamb and Beef Promotions (WLBP) and the WDA will act to strengthen the image of Welsh lamb and beef as extensively-reared grass fed products, II. WLBP will develop export markets in target countries. III. The marketing support that is available through WDA and Welsh Lamb and Beef Promotions will be improved. IV. The WDA and WLBP, working with LEADER groups and other local partners, will help those farmers and processors that have a niche market opportunity for Welsh lamb and beef to exploit it.
2. To strengthen the added-value supply chain	V. To build a bigger stake for farmers in the supply chain; VI. The WDA will support the development of added-value processing. VII. Livestock markets are encouraged to re-appraise their position and plan for the future. VIII. Developing farm and supply chain certification
3. To develop an integrated approach to improving the quality and cost-efficiency of primary on-farm production.	IX. Coherent all-Wales services need to be developed to help farmers adapt.

2.3. The Welsh Dairy Sector, A Strategic Action Plan, March 1999

The SAP for the Dairy Sector was prepared by the Welsh Dairy Industry Working Group and provided an overview of a Welsh Dairy sector in decline at the turn of the century. The strengths of and opportunities for the sector in 1999, however, were recognised to include two high density milk fields (SW and NE Wales), a generally high quality milk supply, a well-established body of niche market operators, a good and improving reputation for quality, both nationally and internationally, and the relatively large volume of bulk milk moving out of Wales for processing in England which was potentially available for processing within Wales.

Weaknesses of the sector included relatively small farms, which increase collection costs and inhibit economies of scale, and an imbalance in the product mix - with too great a dependency on products which have limited premium branding potential and are vulnerable to overseas competition. The most critical threat to the sector was increased overseas competition, particularly in light of the relatively small size of even the biggest of the milk processing facilities in Wales.

The Strategic Goals and associated Action Points within the SAP for the Dairy Sector are detailed in the table below.

Goal		Action
1. To improve the marketing of the sector	I.	The WDA will investigate the potential application of the 'Taste of Wales' logo for generic use outside the catering and hospitality sector.
	II.	The WDA will take the need to support group marketing into account as it develops marketing support for the industry.
	III.	WDA Business Services will provide bespoke marketing support targeted specifically at the SMEs in the dairy sector which are managed as key accounts.
2. To maximise the performance of processors	IV.	The WDA will review all dairy processors in Wales and identify key accounts -these are defined as companies with the necessary management ambition and development potential. (See SAP for further details).
	V.	In addition to offering its own business development support, the WDA will facilitate action by the local TEC to address the skill needs of key accounts. (See SAP for further details).
	VI.	The WDA will highlight to companies the scope to apply for funding under the Welsh Office's Marketing Development Scheme to support the development of detailed, costed investment plans that have the firm backing of key customers.
	VII.	Such companies will be helped by the WDA to put together the funding to enable the investment to proceed, drawing on available public sector assistance where necessary and appropriate.
	VIII.	The WDA will inform companies, as part of this, of the scope to apply for support under the Welsh Office's Processing and Marketing Grant Scheme, to help finance investment plans, subject to EC restrictions on state aids.
	IX.	The WDA will commission a review of R and D facilities in the dairy sector in Wales, to identify how investment can best be targeted to develop centres of excellence to help processing with product development.
3. To maximise the performance of milk producers	X.	To assist with the implementation of actions within the farming sector, a 'Farm Development Task Force' will be set up. This would be an all-Wales steering group, chaired by a prominent farmer, to drive development forward across all farming sectors (see SAP for more details).
4. To improve the information base of the industry	XI.	The Welsh Office will consider how statistics on the dairy industry in Wales can be improved.
	XII.	The WDA will improve the availability of market intelligence to the dairy industry in Wales.

2.4. The Welsh Organic Food Sector, A Strategic Action Plan, March 1999

The SAP for the Organic Sector was prepared by the Welsh Organic Industry Working Group. At the time of publication the Welsh Organic food sector was small, but growing fast. The main strengths of the sector included an established core of organic activities, increased consumer demand for organic products, growing producer interest and suitability of land for conversion and the positive natural image of Wales. In addition to the crisis in the conventional food sector, these factors underpinned opportunities for developing strategic marketing, rationalising production and distribution and re-branding Welsh Food.

Weaknesses and threats to the sector encompassed the small scale of production (at the time), the lengthy timescale for conversion, confusion over certification, inconsistent retailer interest, poor distribution infrastructure and marketing effort, seasonality and inconsistent product quality, a lack of Welsh cultural identity within organic farming and overseas competition.

The Strategic Goals and associated Action Points within the SAP for the Organic Food Sector are detailed in the table below.

Goal	Action
1. To increase the supply of organic produce from Wales	I. Policy Related Action a. Evaluate new OAS payment rates and modify as necessary (e.g. horticulture) that are under-represented b. Ensure close links between Tir Gofal and Organic Aid Scheme c. Introduce maintenance payments d. Specific commodity support e. Promote organic farming within the Less Favoured Areas of Wales f. Specific Agenda 2000 rural development plan for organic sector g. Exemptions for organic farmers from appropriate regulations and quota allocations although this would require approval at EC level h. Conversion of County Council and other publicly-owned holdings II. Information-Related Actions a. Training for inspectors, advisors, vets and others working with organic farms b. Introductory and refresher courses for producers c. Support for organic information centre encompassing research, training and advice; improve OCIS provision and continuing advice d. Encourage local agricultural colleges to develop organic modules e. Promote information to schools on the organic option f. Development of Welsh medium material to include application and UK-wide accreditation

	scheme g. Welsh speaking advisors III. Markets-Related Actions a. Input into EU livestock standards discussions b. High profile encouragement for conversion by multiples, Farming Unions etc. c. Linkages between primary and intermediate producers and finishers
2. To develop markets for Welsh organic produce;	I. Policy Related Action a. Local authority plans for supporting organic sector b. Use of Marketing and Processing grants and Rural Development grants to support organic marketing and processing activities c. Focus on regional initiatives II. Information-Related Actions a. Training for retailers and caterers concerning organic food, markets and labelling b. Training for hygiene inspectors and others working with organic processors c. Information for consumers d. Consumer/market research to identify more precisely requirements III. Markets-Related Actions a. Focus on supply increase in 2001 b. Develop export markets c. Develop strategically located processing capacities for both retail and catering sectors d. Develop use of organic ingredients by local authorities e. Decouple prices from conventional
3. To address specific problems facing the organic sector	I. Policy Related Action a. Increase recycling of organic household wastes to transfer nutrient back to organic farms b. Administrative procedures for approving slaughterhouses and hygiene inspections c. Address the impact of statutory charges on small/medium sized slaughterhouses and cutting plants II. Information-Related Actions a. Research to improve environmental and resource-use impacts b. Research to solve specific production and processing problems c. Impact assessment of widespread conversion d. Improve statistics on organic production and markets e. Training on quality issues III. Markets-Related Actions a. Reduce conversion periods for livestock b. Improved quality criteria for products reflecting consumer perceptions c. Improve organisation of inspection and certification procedures

2.5. Partnership In Action Progress - Report and Key Priorities for the Wales Agri-Food Partnership towards 2003, 2001

This review highlighted the major achievements to date of the Wales Agri-Food Partnership since its launch in 1999, and set future priorities for the following two years.

The findings are based upon an independent review conducted earlier in the same year, and the main areas of success which the Partnership had realised included:

- Augmenting the presence of Welsh food products at domestic and international trade fairs;
- Making progress in taking forward SAPs for the beef and lamb, dairy and organic sectors;
- Networking by the steering, strategy and regional working group;
- Increasing the profile of the Agri-Food sector within WAG;
- Increasing support to agri-businesses and food processors in Wales.;
- (With WAG) Investing £9 in the sector since 1999;
- Launching The Taste of Wales Scheme which had grown to a membership of 400 by 2001;
- Investing in facilities at the three food centres in Wales;
- Piloting and launching a new Welsh Food Industry web-site.

Based upon the review, this report also sets out Priorities for Action for each of the three sectors falling within the remit of the Wales Agri-Food Partnership, at the time. The table below sets out the overarching priorities for each.

Sector	Priorities
Dairy	• Improving marketing; • Maximising the performance of processors; • Improving the performance of processors; • Improved information.
Lamb and Beef	• Marketing initiatives for Welsh lamb and beef; • Strengthen the added-value supply chain; • Integrated approach to farm level support.
Organic	• Increasing the supply of Organic produce; • Developing Markets for Organic Welsh produce.

In addition, goals were set down for the Farm Development Strategy Group, which were:

1. Specify a long-term vision for Welsh farming practice;
2. Improve Farmer Business and IT Skills;
3. Dissemination of Agricultural Best Practice

4. Help farmers to access affective external advice to help them take informed business decisions;
5. Help farmers and their families take informed wider choices about careers.

2.6. Horticulture Strategy for Wales, 2003

The driver for this Strategy came about in 2001 when the Agri-Food Partnership extended its remit for the delivery of sector action plans for the Lamb and Beef, Dairy and Organic sectors, to include two new strategy groups: Horticulture and Fisheries and Aquaculture (reviewed below). This strategy for Horticulture reviewed the current composition and distribution of the horticultural industry in Wales and identified key goals and actions to support the future development and sustainability of the sector. Its main objective was to create a sustainable horticulture industry which addressed environmental and economic issues, was market driven nationally and internationally and supported the continued development of the rural environment and communities.

The key aims of the strategy were:

- To ensure that the sector is market-led and sustainable;
- To encourage self-reliance;
- To build on what already exists; and
- To ensure more 'joined up' support for the industry.

In line with the strategies for the existing three sectors, the following goals and associated actions were established to address current and future needs of the horticultural industry:

Goal	Action
1.To develop a long-term vision for a sustainable Horticultural Sector in Wales	I. Evaluate the current composition (ie size, distribution and sub-sector) and skills base available within Welsh horticulture and monitor their impact on the Welsh economy. II. Establish a Development Centre for Horticulture in Wales to promote 'best practice' in the sector, and provide a focus for it's strategic development. III. Support Welsh horticulture businesses demonstrating 'best practice', encouraging co-operation between producers and/or suppliers. IV. Through the Welsh Assembly Government, inform DEFRA of the prioritised R&D needs, both short and long term, to support the development of the Welsh horticulture sector. V. Collaborate with existing organisations/institutes and initiate R&D work to avoid duplication of activity and ensure best value for Welsh Horticulture Sector. VI. Investigate the opportunities for diversification into horticulture as a means of sustaining rural communities.
2. To improve the technical, business and	I. Develop and promote specific provision for Horticulture within Farming Connect for horticultural business, marketing and technical advice.

management performance of the sector.	II. Evaluate new crop and service opportunities in the food and non-food sectors. III. Work with the industry to promote sustainable production methods, compatible with economic goals. IV. Promote training needs analysis to all horticulture enterprises to identify needs of the individuals and businesses. V. Implement training opportunities in IT and business management for horticultural organisations to improve efficiency and competitiveness. VI. The horticulture sector needs to work with Food Centres to improve added value to its food products
3. To evaluate existing and develop new marketing initiatives for the Horticultural Sector in Wales	I. Review and evaluate current approaches to marketing used in the sector and develop initiatives to address future needs of the industry. II. Promote additional key benefits, e.g. health, environmental impact, which effective horticultural marketing can influence, and develop links to projects such as those of the Fresh Produce Consortium (FPC) and University of Bangor which encourage school children to eat fresh produce. III. Develop innovative and sustainable approaches to adding value to horticultural products and/or services, including the use of branding. IV. Encourage the uptake of quality based assurance schemes relevant to the horticultural industry in Wales. V. Support and promote local marketing and public procurement initiatives by working with appropriate companies and organisations. VI. Link to relevant national and regional organisations (e.g. Wales Tourist Board) to market local products and/or services. VII. Evaluate the role of market driven producer groups as a means of supporting the future development of the sector
4. To integrate the supporting infrastructure to the Horticultural Sector in Wales	I. Provide information to growers and landscapers on a wide range of issues e.g. funding support, education and training opportunities available to individuals or groups operating within the sector. II. Establish national networks for both edible and non-edible crops to complement that established for the Landscape Sector – Tirlun. The involvement of industry representatives on the groups will ensure that they address the key issues affecting the industry. III. Extend current Machinery Ring activity to cover the needs of the horticulture sector. IV. Monitor and co-ordinate the support provided to the horticulture sector through existing and new initiates eg Farming Connect, the proposed Development Centre, Development and Demonstration Units.
5. To evaluate the education and training needs of the Horticultural Sector in Wales	I. Work with relevant agencies such as ELWa, BALI, HTA, FPC, Lantra, Institute of Horticulture etc. to review current and future training needs of the sector. II. Rationalise provision of further education (FE) and higher education (HE) available to the sector, creating lead centres for horticulture, resulting in increased co-operation, improved delivery and progression between FE and HE sectors. III. Ensure education and training provision for the sector meets the needs of a diverse customer base. IV. Work with other agencies in Wales to promote career opportunities within the horticultural sector, enabling individuals to make informed career decisions.

	V. Extend opportunities for continued professional development (CPD) across all sectors of the industry. VI. Provide opportunities and incentives for individuals to gain knowledge and expertise from other countries, within the UK and/or internationally

2.7. Development of the Welsh Fisheries and Aquaculture Sector Strategic Action Plan, 2003

This Action Plan provided strategic direction to the development of fisheries and aquaculture in Wales. The background to the industry is reported on through a detailed SWOT analysis. In common with the four other SAPs reviewed above, the nucleus of the Strategy encompassed six overarching goals, with underpinning action points relevant to the sector at the time. Unlike the earlier SAPs, each action is afforded broad timescales for achievement (short-, medium- or long-term).

Goal	Action
1. Exploitation of market opportunities to the best advantage of the Welsh fishery sector and promotion of Welsh product in the marketplace.	I. Utilise information on market opportunities (short-term) II. Upgrade of industry capacities to exploit market III. opportunities (short to medium term) IV. Promoting Welsh produced and/or landed fish and seafood V. (short-, medium- and long-term) VI. Promoting the use of certified and branded product (short-, medium- and long-term) VII. Promoting seafood festivals (short-, medium- and long-term) VIII. Continue the promotion of Welsh fish and seafood (short-, medium- and long-term)
2. Focusing on the enhancement of product quality through provision of increased quality assurance and added value services attaching to the product.	I. Application of the National Food Hygiene Award to fisheries II. and aquaculture (short term) III. Application of quality management systems to fisheries and IV. aquaculture (short term) V. Co-operative use of storage and transportation (short- to medium-term)
3. Promotion and implementation of sustainable practices throughout the food chain	I. Consumer and customer education/awareness programmes (medium to long-term) II. Promoting the use of sustainable practices by the industry (short- to medium-term)
4. Strengthening of the support mechanisms available to producers, processors and distributors.	I. Support development officers (short-, medium- and long-term) II. Co-ordinating the provision of funding advice to the sector (short-, medium- and long-term) III. Co-ordinating the provision of funding advice to the sector (short-, medium- and long-term) IV. Business support to fishery sector (short-, medium- and long-term)
5. Capture and extension of existing	I. Collation and dissemination of fisheries research findings (short- to medium-term)

research findings, promotion of collaborative research projects and the dissemination of the outputs of research, and provision of support to adoption, adaptation and integration of such findings in commercial application.	II. Building cross-industry research collaborations (short-, medium- and long-term) III. Collaborate with Aquaculture Wales (short- to medium-term) IV. Establishing codes of practice for optimising the use of V. juvenile bivalves (e.g. re-laying of mussel seed) (short- to medium-term) VI. Assessment of demand for processing facilities (short-term)
6. Training and skills development and the promotion of careers in the fisheries and aquaculture industries of Wales.	I. Assess the training needs of the industry and draw up a workforce development plan (short- to medium-term) II. Promote careers in the industry (short-, medium- and long-term)

2.8. Subsequent Strategy Updates

Strategy in Action – Towards 2007

In 2004, FMDD commissioned a thorough review of the Strategy, to reposition it for the period 2004-07. The work comprised a mixture of:

- Desk research, taking account of industry changes and revisions to the policy context (most notably Cap Reform and consequent changes to the funding regime).
- Sixteen industry workshops, covering all of the Agri-Partnership groups, food businesses, farmers' markets, food ambassadors and food festivals.
- Individual stakeholder interviews with industry and policy commentators, along with consultants responsible for programme delivery.

The review noted the rapid growth of organic production in Wales, strength of the fruit and vegetable processing sector and opportunities to expand the fish processing and drinks sectors.

Key achievements in the period 1999-2003 were noted as:

- **Partnership and communication – bringing together key partners and stakeholders to deliver a joined up approach to developing the sector;**
- **Farming Connect – supporting a more competitive sector through programmes such as demonstration farms and farm business development centres;**
- **Changing attitudes – engendering a business planning culture in farming;**
- **Supply chain linkages – developing better links between producers and processors and supporting farmer-controlled businesses;**

- **Processing and Marketing Grant (PMG) – delivering a high level of additionality and strong net impact, through a total investment of £89m to May 2004.**
    - **£26m invested in dairy processing through PMG**
    - **£5.4m invested in organic food processing through PMG Grants**
- **Branding – and especially the value of True Taste in raising the profile of Welsh food;**
- **Food / hospitality / tourism linkages – maximising opportunities through food festivals, for example.**

In sectoral terms, the review recognised the expansion of dairy processing, stimulated through PMG funding and the creation of co-operatives such as Cheeses from Wales. The establishment of Organic Centre Wales underpinned a 900% increase in organic land in Wales between 1999 and 2003. The creation of Hybu Cig Cymru and achievement of PGI status for Welsh Lamb and Beef improved the positioning of the red meat sector, and the newly introduced strategies for horticulture and fisheries and aquaculture had led to significant research into industry needs, skills and training.

Recommendations in the report included:

- **Improving market focus, through developing marketing and promotional skills, maximising trade opportunities, effective market research and brand management and partnership to promote trade development and food festivals.**
- **Improving supply chain linkages, through working with the three Food Centres, dissemination of best practice, networking events and encouraging industry collaboration.**
- **Improving processor performance, through improving efficiency and business skills, encouraging innovation, collaboration and networking.**
- **Improving the performance of primary producers through development of Farming Connect and addressing skills needs of the sector.**

In quantitative terms, the review noted a number of significant statistics, including:

- **A rise in the number of holdings of 8,000 between 2001 and 2002, mainly grass and forage or specialist equestrian.**
- **Gross agricultural output of £1012m, or 6.5% of total UK agricultural output, producing an income of £116m. Dependency on livestock production had reduced from 89% to 85% between 2000 and 2002, illustrating a trend towards increased diversification.**
- **27% of UK lamb production – 10.1 million sheep and lambs in 2002**
- **17,395 tonnes of fish landed in Wales, with a value of £14.5m, along with 268 tonnes of farmed rainbow trout for the table.**

- **A rapid increase in organic production, growing from 28,500 ha in 1999 to 50,000ha at the end of 2001 – 3% of agricultural land and 7.4% of total organic land in the UK.**
- **17,000 people employed in agriculture and related sectors.**
- **22,900 people employed in food and drink processing – an increase of 1.7% since 1998, with a total output value of £2,048m and £696m of added value in 2001.**
- **The value of Welsh food and drink exports was £150m in 2002 – an increase of £27.9m since 1996.**

2.9. Plan Updates

Since the publication of the initial SAPs in 2001 and 2003, up-dates for some sectors have been produced at varying times. The following pages set out the changes in terms of Target Areas/Goals and associated Actions.

Agri-Food Partnership Dairy Strategy Update and New Actions, 2003-2004

This update for the Dairy sector, issued first in draft in 2002 and as a final document in 2003/4, built upon the series of goals across four key areas in the original Dairy action plan reviewed above. It sets out an additional 11 Action Points within these four goals.

Target Area	**Additional Action Points**
1. Improving the Marketing of the Welsh Dairy Sector	I. Liquid Milk a. (For 4 to 11 year olds) Strengthen partnerships aimed at increasing milk consumption in this age group. (Including local authorities, WDA, Welsh Assembly Government and the private sector). b. (For 11 to 18 year olds) Develop new partnerships aimed at increasing milk consumption in this age group. c. White Stuff - continue ‘Llaeth: Y Ddiod Gadarn’ campaign - WDA to develop delivery methods with the MDC and Dairy Council for bilingual activities in Wales. II. Cheese a. Encourage the industry to reduce reliance on lower value commodity products by developing speciality cheddar brands, new cheeses and develop new markets. b. Cheese road-shows to be staged to promote Welsh cheeses to trade and consumers - programmes of events and delivery methods to be developed. c. A new CAWS II initiative to be developed to enable cheese producers in Wales to access new markets. This is now being developed as Cheeses From Wales, a sales and marketing co-operative for cheese producers, launched in March 2003. III. Other category areas a. Agri-Food Partnership to look at initiatives to increase innovation of dairy products,by-products and processing in Wales.
2.	I. Collation and dissemination of studies into the true cost and profit of

Maximising the Performance of Milk Processors	spring/winter milk production is essential to enable milk purchasers to make informed decisions when developing milk prices and seasonality pricing. II. Evaluation of current and future milk quantity/profile requirements of processors in Wales - to include future investment estimates/indications from processors to process stated milk supply profiles/quantities. III. Following on from Action point 5 a yearly review needs to be implemented by the public sector with processors in Wales to look at the ongoing business development needs and evaluate processed volume outputs. IV. Continue The Dairy Inward Investment Initiative, involving the WDA International Division - targeting companies interested in investing in Wales. V. Continue supporting processing investment via PMG and RSA funding
3. Maximising the Performance of Milk Producers,	I. Assistance to farmers is needed to optimise returns from their milk contracts. II. Improved and enhanced dissemination of technical advice is required to ensure that opportunities to increase profit by optimising milk yields are taken with due care given to the environment and welfare of animals.
4. Improving the Information Base	I. The MDC Datum service and WDA library and market services are services available to the industry. The industry needs to utilise these services to assist their business. The Farming Connect Dairy Development Centre can play a key role in helping and II. assisting the MDC and WDA to share relevant Welsh market and statistical information within the industry

In terms of future development, the update stated the need to review and recommend further actions on key issues within the Welsh dairy sector including Milk Quotas, Organic Milk, Environment, Bovine Tuberculosis. It also stated that the Dairy industry in Wales should use the benefits of Farming Connect, The Dairy Development Centre, Objective 1 and RDP funding, Welsh Assembly Government RSA and WDA Processing and Marketing Grants and the many other support mechanisms to make the most of their opportunities.

Strategy and Action Plan for the Welsh Dairy Industry, 2006

In 2005 the former WDA commissioned a review of the Welsh dairy sector. Extensive fieldwork indentified a number of core key strategic issues which needed to be addressed in the subsequent Action Plan. These can be summarised as follows:

- Welsh dairy farmers and processors must continue to be as efficient as possible – if they are not, then dairy farmers and processors located elsewhere who are (more) efficient will place increased pressure on the Welsh industry;
- The dairy sector in Wales needs to be sustainable: this includes environmental and animal welfare issues, both of which will require more attention in the future;

- Existing markets need to be consolidated and new markets need to be developed;
- There is a need for more innovation and added value right across the supply chain;
- Meeting customer requirements and focus must be a top priority;
- There is a need for better communication, relationships and technology transfer across the supply chain both in and outside of Wales;

The new Strategy and Action Plan, broadly covered the period 2006 – 2012, and is therefore still current. The table below sets out the Key Recommendations and Action Points for this new Plan.

Key Recommendation	Action Point
1. Improved Stakeholder Communication to Farmers	• The development of activities and messages that are directly related to the strategic aims of the sector • Use of a range of communication systems to cascade down key themes including conventional farmers meetings, printed media, TV and electronic Media • A regular survey of the Welsh dairy sector to be introduced and the results disseminated in order to increase the engagement of Welsh dairy farmers
2. An Enhanced Role for the Dairy Development Centre	• The DDC to work closely with the MDC and take full advantage of its expertise and the DDC to update key deliverers in order to focus on the key strategic messages. • Agreement of SMART targets for key organisations involved in the delivery of advice and support to dairy farmers with advice and support to be more tailored to individual needs of farms regardless of size and Outlook. • The DDC to take a lead role in communicating with other key industry stakeholders, including processors on a regular basis. (See Plan for more details). • A regular review of the effectiveness of the delivery of these services and assessment of the potential for interaction with other dairy sector stakeholders. (See Plan for more details).
3. Improved Technical Performance & Training of Producers	• Identification and training of high quality group facilitators, (See Plan for more details). • Review of existing training materials, identification of gaps and then subsequent production of regular and up to date training materials to focus on key strategic issues for dairy farmers. • Development of a short - mid term calendar of technical events at demonstration farms to cover all key technical areas and more proactive involvement of all industry stakeholders and service providers in their promotion. • Undertake a review of specific training needs for dairy producers, taking into account the future needs of dairy processors in Wales: MDC have done some initial work in this area but it not totally relevant to Wales. • To produce “off the shelf” materials focusing on core strategic issues and to develop a range of short courses to upskill existing farm managers with both a business and technical emphasis,

	to develop a specific dairy apprenticeship scheme to encourage young people into the sector and develop training programmes for Eastern European labour covering the full spectrum of farm and life skills. • Introduce a programme of CPD for cowmen, farmers and farm managers.
4. Improved Supply Chain Relationships between Farmers & Processors	• Build on the work carried out by the NFU and MDC to develop more farmer - processor discussion groups, with the aim to achieve improved understanding on contracts between farmers and processors and encouragement to processors to communicate to their suppliers "league tables" on a regular, but confidential basis. • Provide for a clearer explanation of company strategy(ies) and future expectations of the supply base and develop a more regular dialogue with suppliers via farmer - processor discussion groups and encourage a more transparent approach to contracts for farmers. • Carry out supply chain studies involving key players in the Wales (albeit recognising that this has been difficult to achieve in other parts of the UK dairy sector). • Arrangement of selected study tours to areas of the world where supply chain relationships are more cohesive. (See Plan for more details).
5. Promotion of A Sustainable Industry	• Encouragement for clear and consistent guidelines to the Welsh dairy sector from all relevant industry agencies and stakeholders as to what constitutes good environmental and animal welfare standards. • Encouragement to farmers to sign up to environmental programmes based on the demonstration of benefits in doing this, in terms of finance and meeting customer (and consumer) expectations. • A more co-ordinated effort is required from support organisations to achieve this and prioritisation of support for activities that minimise any environmental damage and encourage best practise in animal welfare issues (i.e. WAG assistance with capital investments for improved slurry pits etc) • Use materials as produced by the MDC on issues such as energy efficiency and resource management to stimulate discussion groups and use the demonstration farms in this work as appropriate. • There should be a modest programme of PR activity focused on "good news" stories to boost the image and self worth of the Welsh dairy sector, aimed initially at key commercial contacts, agricultural and food sector press and then local media.
6. A More Customised Approach to Supporting the Processing Sector (Encompassing smaller and larger dairy processors)	• Introduction of measures to assist with the application of support and assistance on a more selective basis in the future bearing in mind that 60% of milk in Wales is bought by two companies. • Better quality and more proactive account management from the WDA and/or its successor organisation. • Market research on new market areas such as foodservice, food ingredients and selected export markets in the EU. (See Plan for more details). • Encouragement to Welsh dairy processors to involve their suppliers in benchmarking activity and encouragement to

	Welsh dairy processors to get involved in other broader UK factory based benchmarking schemes being managed by the likes of Dairy UK. • Support to the Dairy Council (and other key stakeholder organisations as required) in terms of inputs and contributions on issues relating to dairy nutrition and health and the development of a Task Force across Welsh processors, commerce, academia and R & D organisations to tackle any food scare issues and other potential brakes on the consumption of Welsh dairy products (i.e. TB) to work as might be required with the Dairy Council Issues Committee. • Tailored training to individual needs and those of individual factories with a focus on supply chain development, category and account management and innovation across the supply chain. (See Plan for more details). • A need to provide, as required, access to top level decision-makers in both local and national government. (See Plan for more details). • A focus on the larger scale routes to market, rather than small scale niche markets. • They should be more closely involved in the future work of the dairy strategy group, especially on the issue of the future development of the Welsh production base. • Access to selected technical support such as with the introduction of new ISO standards on environmental protection etc. • Assistance with business expansion as required and encouraged by customers through the provision of short term management support and business mentoring in areas such as financial planning, marketing, legislation, technical development and NPD. • Support to the work of Food Network Wales and Cheeses from Wales in these specific areas of clustering small scale processors.
7. Strengthen R & D, NPD and Innovation	• Develop collaborative arrangements with other international NPD and R & D centres with focus on future growth markets such as functional foods, probiotics and flavoured milks, etc. and non food usage of dairy products. • There should be a review of the role of Food Network Wales with the intention of one of the 3 organisations taking the lead (but still working closely with the others) in the dairy sector regarding innovation. • Develop a full range of services and training programmes for Welsh dairy companies wanting to innovate: access should be sought to funding programmes from the likes of Defra and the EU Commission as appropriate. • Work with the Welsh Department of Health so that there is a strong awareness of relevant issues in areas such as dairy nutrition. (See Plan for more details).
8. Attract Inward Investment	• Provide responsibility for “account management” of the top 10 - 20 UK and international dairy processors, with the specific role of building market intelligence and ultimately attracting inward investments. • Development of a similar programme for key international R & D providers and organisations and undertake a discrete drive in these two key areas.

9. Retain Existing and Develop New Markets	• Build on a far more proactive approach from within WDA and/or its successor organisation with major retail players and look to develop a similar approach for the fast growing foodservice sector. • Introduce enhanced "account management" systems for major retail and foodservice clients. • Encourage the development of strategic alliance and joint ventures for produce marketing and distribution with other Welsh, other UK and international cheese companies. • Develop supplier awareness programmes for all Welsh dairy operations and build high levels of customer and category management skills in all Welsh dairy companies. • Ensure that there is focus on products in line with consumer demand, including those aimed at young companies. • Provide Welsh industry support to on-going generic programmes in the dairy sector.
10. Develop Niche Markets (Encompassing Exports, Organics, Public Procurement, Exploit the Tourist & Visitor Market in Wales And Farm Retail)	• Carry out business to business based market research in selected EU markets. • Provide further support to Cheese From Wales. • Develop PDO and PGI products if possible, but with regards to export markets only. • Attend speciality trade fairs in key target markets, not just the mega events such as ANUGA and SIAL. • Organisation of on-going inward visits from key buyers in retail and foodservice from the Continent. • Build strong links to the Organic Centre for Wales with regards to the local Welsh market and the Soil Association for markets in other parts of the UK. • Build strong relationships with supermarkets who now account for a high overall % of organic and Fair Trade sales. • Carry out further research focused on future market demand and impact on price, not technical conversion. • Appoint dedicated role to monitor key developments in the public procurement sector - not just limited to dairy. • Carry out research and seminars for dairy suppliers in conjunction with local authorities and carry out training to understand public sector tendering if justified post seminars. • Organise visits to review key success factors in similar programmes in other parts of the UK. • Ensure further support from the dairy sector as required to the "Visit Wales" programme and look to move dairy products away from just concentrating on the top 150 restaurants in Wales and into other market sectors. • Work with initiatives such as FARMA Cymru as appropriate especially in the areas of training in terms of customer management, logistics and business planning as required.
11. Maximise the Impact of Wales - The True Taste	• Encourage and strengthen links to areas such as tourism, as well as major routes to market such as retail and foodservice. • Ensure that "Local Provenance" is used as much, if not more than "the Dragon". Overt "Welshness" should be used selectively to promote dairy products in conjunction with tourism and cultural initiatives as appropriate. • Support efforts over the mid to long term to make more relevant outside of Wales and support efforts to take out of niche market position and into more mainstream routes to market in selected areas of the UK.

Second Organic Action Plan for Wales 2005 – 2010, Agri-Food Partnership Organic Strategy Group 2004

Given that many of the aims of the first Welsh Organic Action Plan had been fully or at least partly achieved by 2004, the key aim of this second Plan was to raise public awareness of the multiple benefits growing and eating a greater proportion of organic food.

Part of the task of producing a second plan was to appraise the 1999 SAP, and a number of recommendations emerged from this appraisal, which informed the focus and design of this second Plan. The following eight areas were recommended as issues to focus action upon.

1. Environmental payments;
2. Developing the market;
3. Develop new marketing and processing opportunities;
4. Public education;
5. Public health;
6. Research, market intelligence;
7. Minimise the administrative load;
8. GM-free Wales.

The Second Plan was structured slightly differently to the earlier SAP, with strategic targets underpinned by a far greater number of more specific areas for action. These are detailed in the table below.

Target Area	**Recommendations**
Land-based target, supported by indicators of sustainable development of the organic sector	1. 10%-15% of agricultural land in Wales to be organic or in-conversion by the end of 2010 should be set and reviewed against a number of indicators of sustainable development of the organic market (see the Plan for more details). 2. Systems to obtain data to monitor the above trends should be developed and implemented.
The Market (Public education)	3. WAG should consider supporting a targeted public education campaign on organic food and farming. 4. The Organic Strategy Group will engage with the agencies involved in health education in Wales in order to stress the commonality of message and interests. 5. Maximum use should be made of opportunities provided by the CAP reform agreement for the WAG to provide financial support to producer groups for promotional initiatives. 6. Where appropriate, this work should link to related initiatives in the UK and Europe, in particular the European organic food and farming action plan published in 2004, in order to maximise potential benefits and share costs. 7. The effectiveness of the campaign should be evaluated by the end of 2006 with a view to putting in place a further programme of consumer information work from 2007-2010.

The Market (Public Procurement)	8. WAG should encourage the sustainable procurement of organic food, locally produced where possible. 9. Information should be sent to all local authorities in Wales explaining the public procurement rules on buying organic food, by the end of 2004. 10. WAG/ WDA should provide support for pilot projects in Wales. 11. WAG and Assembly Sponsored Public Bodies should encourage their catering contractors to increase the provision of organic meals and snacks in their canteens and meetings. 12. Long-term (2006 on), building on the outcome of the pilot projects, WAG should encourage all relevant public authorities to include a proportion of organic food in their purchases, specifying a percentage target to be met, with targets increasing on an annual basis.
The Market (Retailing)	13. WAG and WDA should work with the Organic Strategy Group, organic sector businesses, HCC and key multiple and independent retailers to help promote and develop the market for Welsh organic products. 14. Multiple and independent retailers will be encouraged to play a key role in the delivery of the action plan. 15. The Welsh Assembly Government should encourage DEFRA and the DTI/ Competition Commission to develop stronger statutory rules to replace the voluntary code of supermarket practice currently in operation. 16. Survey on the amount of Welsh organic produce compared to Welsh conventional produce sold via multiple retailers in Wales should be commissioned and completed by the end of 2005. 17. When the survey is complete, a strategy for increasing the amount of Welsh organic produce sold in different supermarket chains should be written by OCW and implemented from 2006 (See Plan for more details) 18. In support of the above, the Welsh Agri-Food Partnership Organic Strategy Group will liaise closely with efforts in other parts of the UK to encourage retailers to stock more UK organic products.
The Market (Developing new marketing and processing opportunities)	19. Specific initiatives to support the use of organic food in the food service sector and the hospitality sector should be developed, building on the efforts of the Soil Association to introduce appropriate certification procedures at this level. 20. OCW should have a role to ensure that Organic food and farming form a specific focus of the Food Tourism Action Plan currently being implemented by the WTB and WDA. 21. Organic food and farming should continue to be a central focus of WDA initiatives to re-establish a quality food culture in Wales, through Food Festivals and True Taste brand initiatives. 22. Support for farmers' markets and other local initiatives, with strong organic sector participation, should be maintained and increased. 23. The work of the Food Centres in Wales in supporting new product development and related training for organic as well as conventional product innovation should be maintained and developed. 24. The current high take up of processing and marketing grants by businesses working with organic products should be maintained, with concerns about unintended impacts on established businesses being addressed during the application process. 25. Close links should be established between the Welsh Agri-Food Partnership's Organic Strategy and Trade Development Groups to

	ensure continuing high priority for organic trade development activities. 26. In all of these activities, the role of small and medium-sized businesses (SMEs) as the core of the organic sector and the agents of change and innovation needs to be recognised and encouraged and excessive bureaucracy and regulation avoided.
Producer-focused, Supply-side Initiatives (Payments)	27. The intentions of producers currently participating in the Organic Farming Scheme, and factors influencing them, should be analysed. 28. On-going payments should be maintained and enhanced, linked to appropriate environmental and animal welfare conditions, as part of the reform of agri-environment schemes currently being undertaken by WAG. 29. Specific attention should be paid to reviewing the level of payments for horticultural (including top fruit) holdings and to addressing the needs of young farmers and new entrants. 30. Issues arising from the implementation of the CAP reform agreement, where specific sectors or organic producers in general may be disadvantaged disproportionately, should be addressed using appropriate mechanisms including the hardship provisions and reforms to the organic farming and other rural development schemes. 31. These payments should be supplemented by the new support for costs of certification included as a Quality Policy measure under the CAP Reform agreement. 32. An organic farm management plan should be a specific requirement for the new Organic Farming entry-level scheme. (See Plan for more detail). 33. The targeting of capital investment grants specifically at organic producers should be reviewed.
Producer-focused, Supply-side Initiatives (Supply chain development)	34. The Organic Strategy Group, working with the WDA and key businesses, should develop strategic objectives for the main organic sectors by mid 2005. 35. WDA and WAG financial support for producer marketing groups should be maintained. 36. WAG should use any relevant provision within the CAP reform agreement to support promotional activities for quality products. 37. WDA and WAG should encourage the development of appropriate distributions systems, particularly those relating to local distribution and public procurement initiatives. 38. More generally, organic food and farming activities should be integrated in publicly funded initiatives, including tourism and regional development projects, such as Leader+ and Green tourism, and support for the development of marketing activities, including presence at trade fairs, awards and resources, should be enhanced.
Producer-focused, Supply-side Initiatives (Research, market intelligence and information	39. The Organic Strategy Group/Welsh Assembly Government should liaise closely with DEFRA to ensure that the organic research budget results in research useful and relevant to Wales, such as upland eco-system research. 40. Welsh Assembly Government should ensure that the proposed DEFRA-sponsored organic research committee is established and includes direct Welsh representation and mechanisms to take account of Welsh needs. 41. In order to provide enhanced market intelligence to organic farmers and those planning to convert, an audit of statistical

dissemination)	information currently available will be undertaken by OCW (See Plan for more detail). 42. WAG /OCW should work closely with the DEFRA Statistics division to ensure that statistics relating to prices, production, processing consumption, and trade are disaggregated to the Wales level. 43. Progress with respect to information dissemination and development of knowledge transfer/knowledge networks (currently co-ordinated by OCW with WAG and Farming Connect support) will be reviewed by the end of 2005. 44. Benchmarking initiatives focused on producers should be resumed and extended to other parts of the supply chain.
Producer-focused, Supply-side Initiatives (Organic standards development)	45. The Organic Strategy Group and Welsh Assembly Government should work actively with ACOS, DEFRA and others to ensure that appropriate outcomes to the review of current derogations are achieved, and to start a process of reviewing and strengthening the EU regulation with respect to its conservation, environmental, animal welfare, food quality/safety and social outputs. 46. Specific issues relating to standards for organic farming in the hills and uplands need to be addressed, in conjunction with working groups established by sector bodies such as the Soil Association and in other parts of the UK (See Plan for more detail). 47. In the light of the results from the current OCW/Farming Connect work on organic horticultural and herbage seed use, availability and production, an action plan for the domestic organic seed sector should be developed with other UK partners. This should include ensuring that appropriate varieties are available and tested before the derogation is lifted for individual species. 48. The advantages and disadvantages of the current standards and certification systems, and alternative options, should be reviewed by mid 2005. 49. The potential for a Welsh origin identifier, possibly linked to True Taste branding, and conditions for its use, should be investigated. 50. The integration of social and fair trade issues into organic standards should be reviewed and developed in parallel with the Soil Association, which is developing Ethically Traded labelling.
Producer-focused, Supply-side Initiatives (Integrity of Welsh Organic Produce/GMO co-existence)	51. The Welsh Assembly Government should seek to maintain the GMO-free status of Wales and if possible secure legal protection for this. 52. The most stringent co-existence mechanisms possible should be enforced. (See Plan for more details). 53. New regulations should be drafted to require a separation distance between GM and organic holdings, to be set at 4 kilometres (km) for beet crops, 8 km for maize and 10 km for oil seed rape. 54. All those intending to plant GMOs should notify all neighbours, including organic producers, within a 10 km radius of the holding. (See Plan for more details) 55. Where organic farmers are growing the same crop as a GM crop within 10km, the biotechnology company concerned should pay for testing of the organic crop to ensure that it is free of GM contamination to the level of 0.1% - the level of detection - and should compensate the farmer for the loss of earnings if the crop is found to be contaminated. Financial risks and liabilities must not be transferred to organic and non-GM producers. 56. The Welsh Assembly Government should work with relevant agencies to enforce a requirement that all seeds, conventional or

	organic, should be subject to a maximum GMO contamination threshold of 0.1%. 57. A legal liability system in which the biotechnology industry is responsible for any negative economic, health or environmental effects resulting from the planting of GMOs should be put in place. This must be done before any marketing consent is given. 58. If at any stage new evidence comes to light of negative effects of GM crops, WAG should work with relevant agencies to achieve rapid revocation of consent for the growing of the crop.
Delivery of Second Action Plan	59. Responsibility for overseeing the delivery of the action plan lies with the Agri-Food Partnership Organic Strategy Group, supported by WAG, WDA, OCW and other relevant agencies. 60. The membership of the Organic Strategy Group, its sub-groups and their number and remit, should be reviewed in 2004. Those that are no longer relevant should be disbanded and new standing and/or task-and-finish groups should be established to take forward the work. Opportunities for improving interaction with other strategy groups should be identified. 61. WAG/Organic Strategy Group should press for early establishment by DEFRA of the joint forum of UK country action plan groups, include representatives from both stakeholders and administrations in each of the four countries. This group should have the capacity to identify research and policy issues that might need to be addressed by DEFRA at a UK level, as well as permitting exchange of experiences and best practice and identification of areas of common interest. 62. The action plan should be reviewed in the light of opportunities and constraints presented by the ongoing reforms to the CAP and the development of the European Organic Farming Action plan (See Plan for more details). 63. An evaluation paper should be written which will include detailed indicators for each action point by end 2004. OCW (supported by WAG/WDA) should be responsible for the collation of the necessary statistics. 64. The Organic Strategy Group should formally review progress on the recommendations in the Action Plan at annual intervals, and a paper should be produced on progress. Remedial action should be put in place where necessary.

Strategic Action Plan for the Welsh Dairy Industry, 2007

The action plan for the dairy industry was compiled ahead of the wider ranging Food and Drink Strategy, as the dairy sector was considered to be facing major challenges requiring urgent action. The report points out how the sector experienced major changes during the period 2000-2007, with the closure of several major processing plants and a reduction of 30% in the number of producers. The Action Plan is underpinned by a thorough analysis of the position of the industry in 2007 and of trends in production and consumption. The report also makes strong links to the need for a sustainable sector in terms of climate change, as well as economic and social factors.

Actions for FMDD and partners arising from the plan include:

- Undertaking an audit of market intelligence relevant to industry development and establishing a database, developing a communications plan and disseminating information;
- Commissioning market research into consumer behaviour;
- Establishing closer links between producers, processors and retailers;
- Designing focused integrated advice, guidance and support under Farming Connect;
- Supporting the development of collaborative ventures;
- Providing advice on supplying the public sector.

2.10. Other Strategic Policy Documents

Farming For the Future, Welsh Assembly Government 2001

This document set out a future vision for an integrated Welsh agricultural industry, based upon high quality, value-added, branded products developed though environmentally sustainable production. Its mission was to reinforce the basis for selling Welsh food, as well as strengthening the appeal of the countryside for tourism and leisure.

The key proposed actions included:

- Selling via supermarkets' top ranges;
- Targeting the up-market catering sector;
- Adding value to low-value meat;
- Developing pre-prepared meals;
- Developing innovative, added-value dairy products;
- Maximising profitable export markets; and
- Building up local loyalty to local produce.

The main adaptations needed within the Welsh farming industry to ensure these actions may be implemented focussed upon: consumer-focussed product development; greater collaboration between farmers and food processors; more effective use of IT to manage commercial farm businesses; complementing traditional farming skills with the latest best practice techniques, to cut costs and improve quality; ensuring environmental and food safety considerations become integral parts of farming practice; broadening the agricultural base and supporting other commercial opportunities such as tourism.

The key areas where the National Assembly saw its role was in:

- Building understanding between producers and consumers;

- Raising the incomes of farming families, through the Agri-food Strategy and by developing new sources of income;
- Helping the industry to respond, through Farming Connect; and providing help to young farmers and guidance on planning, regulation and administration of CAP subsidies; and
- Action to help farming become more sustainable environmentally.

Finally, in terms of monitoring progress, progress indicators related to statistics on net value-added in farming and related food processing; employment within the sector; farmer income from diversified activity; agricultural land proportion under agri-environmental agreement, or which is organic or in conversion to organic status; and wildlife population.

2.11. Strategic Internal Reviews/Research

Food Distribution Into, Out of and Across Wales, 2004

This Study looked at the issue of food distribution from both a producer and a retailer perspective. The objective behind the project was to raise awareness of key distribution issues and explore potential opportunities for collaborative distribution to steer future activity for the WDA Food Directorate.

Feedback from Welsh food and drink manufacturers revealed the major issues concerning them in terms of distribution. In essence, the main findings were concluded to be:

- Concerns over the cost of distribution;
- Interest in the cost saving benefits of collaboration, but apprehension over the provision of a reliable and consistent service; and
- Support for the development of local depots, which would allow goods to be consolidated and delivered locally, at reduced cost and in line with retailer demand.

Demand and Commercial Opportunity for Welsh Produce in the Foodservice Sector, 2005

This study was intended to explore current and future demand for Welsh food products within the hospitality sector and amongst Welsh public sector buyers and caterers. The findings would then be used to develop the numerous programmes run by the WDA Food Directorate aimed to develop the availability and distribution of Welsh food.

The main conclusions drawn from the research are summarised below:

- The majority of respondents acknowledged the value of incorporating Welsh Food into the menu;
- Respondents felt that there is currently a lack of sufficient supply of Welsh Food – particularly in terms of local meat, cheese, beer and wine;
- Welsh food products are more visible in private sector hospitality businesses (hotels/bars etc) than in public sector institutions or offices;
- Price and availability are the main barriers to purchasing Welsh produce;
- The hospitality sector is most likely to use local producers/retailers whilst public sector procurers are more likely to buy from wholesalers or regional distributors;
- Reasons for choosing Welsh products included:
    - Desire to support local producers;
    - Desire for fresher food;
    - The good reputation of Welsh Food; and
    - Uniqueness to a local area.
- The majority of respondents were prepared to pay a premium for Welsh food.

WDA Public Sector Food Purchasing Survey, 2006

The purpose of this research was to investigate the values of food produce procured by the public sector in Wales. The purpose of the work was to ascertain how much food purchased by the public sector is produced in Wales, and to explore what may be done to stimulate an increase in the proportion of goods of Welsh origin purchased by the public sector.

The main findings from the research are reviewed below. Comparison figures relate to statistics in 2003 and in late 2005/early 2006.

- **Total Public Sector food purchases increased from £55m to £66m;**
- **Overall percentage of Welsh food purchased rose from 18% to 24%;**
- **Proportion of key food products such as bread, milk and meat purchased from Welsh suppliers rose from 38% to 45%;**
- **Major increases were witnessed in milk purchases (89% to 91%) and meat (57% to 76%) and ready meals (up by 200%);**
- **The key drop was in bread (54% from 69%);**
- **Confectionary and soft drinks remained low;**

- **Water was identified as a development opportunity given that only 17% of purchases in 2005/6 were of Welsh origin;**
- **There was evidence that efforts by NHS and Local Authorities in conjunction with WDA and Value Wales has lead to greater pressure on local suppliers to tender for the supply of local food.**

Review of UK Horticultural Market – Identifying Potential Opportunities for Welsh Produce in the Retail, Foodservice and Public Sector Markets, December 2008

This review pointed out that there were additional opportunities for growing vegetables in Wales and that only 31% of public procurement spending on horticulture was sourced from Wales. The research included interviews with public sector stakeholders, especially in procurement, key retailers, a range of wholesalers, growers and distributors and finally a number of high profile hotel and restaurant operators.

The results provide a thorough review of the current trends in retail, foodservice and public sector demand, along with key drivers of the market and a review of capacity in Wales and the UK.

Conclusions include that all market sectors are struggling to source Welsh fruit and vegetables and that 84% of fruit and vegetables are sold through multiples. Welsh horticulture needs to grow by developing relationships with large key suppliers, who are keen to source almost any Welsh product, but especially focused on potatoes, leeks, cauliflowers and Swedes at present. The total market for these products is estimated to be £37m for potatoes, £5m for leeks, £5.3m for cauliflowers and £2.4m for swedes / other root veg.

It was recommended that an action plan be devised, including creation of grower groups to supply major purchasers.

2.12. Strategic Independent Research

Mid-Term Evaluation of the RDP for Wales

The Mid-Term evaluation of the first Rural Development Plan (RDP) for Wales was carried out in 2003. It concluded that "Those schemes assisting investment in agricultural holdings (Farm Improvement Grant, Farm Enterprise Grant and Processing and Marketing Small grant schemes) have resulted in increased income on participating holdings". In relation to the PMG, the evaluators concluded that "Production costs decreased whilst the quality of output improved as a result of the scheme, mainly as a result of better processing facilities, although systematic quality monitoring and greater homogeneity of raw materials also had an impact. There were increases in the quantity of agricultural products purchased locally and in some cases prices were also increased". The report also concluded that PMG had led to positive implications in respect of environmental regulations and additional environmental improvements beyond regulatory levels. Workplace safety also improved and accident levels fell.

Quantitatively:

- **55% of beneficiaries contacted had achieved ISO 9000 or similar, 36% depended on the scheme to achieve this.**
- **91% reported increased throughput as a result of PMG, averaging an 89% increase in quantity. 36% said this was due to improved use of facilities, whilst 73% related it to new buildings or facilities.**
- **73% reported reduced production costs, on average falling by 10%.**
- **73% reported throughput of higher quality – averaging 122% increase in quality**
- **45% reported an increase in the number of products sold with a quality label – averaging a 160% increase.**
- **27% reported an increase in the financial value of products as a result of the scheme.**
- **36% reported an increase in the volume of raw materials purchased under some form of contractual agreement or vertical integration.**

By the end of October 2003, 118 PMGs had been approved in Wales, 100 of which were in the objective 1 area and 18 in the RDP-funded region.

UK Speciality Food and Drink Study - Food from Britain/ Ministry of Agriculture, Fisheries and Food, 1999

This Study aimed to assess the economic importance of the British speciality food and drink sector, identifying challenges, linkage with regional economic development bodies, its geographical concentration and key sectoral trends. It had two main objectives:

- To provide a comprehensive definition of speciality food and drink products and;
- To survey the sector and assess its economic importance and the effectiveness of support provided to the sector by public and private sector agencies.

Much of the report provides information on the UK sector as a whole, however where Wales was reported on in isolation, it provides a valuable baseline of the situation in terms of the situation within the speciality food and drink sector prior to the launch of the first round of SAPs by the Agri-Food partnership.

In terms of generic business development support available at the time within Wales, the report stated that there was a network of such support provided by the now former WDA (including a new Food Directorate). In addition, support was available in rural areas from both LEADER groups and numerous community based enterprise organisations.

At the time however, none of the numerous business support organisations such as Chambers of Commerce, Business Link and RDAs (including the WDA) offered advice/support targeted specifically at speciality food companies, although some (unspecified in the report) offered tailored support to the mainstream food sector.

There were, however, two organisations in Wales at the time representing the speciality food sector, namely: A Taste of Wales (wine, cheese, water and ice-cream) and Cegin Cymru, a specialist marketing and distribution organisation. At that time, across the UK, it was bodies such as those who provided advice and support to individual speciality food producers.

During the RDA consultation stage of the study, the WDA was not included in the scope of the fieldwork. However, the point was made that *"England was also falling behind its immediate neighbour Wales, who had also [like Scotland and Ireland] recognised the need for an industry strategy, increased collaboration between the private and public sectors etc…"*

The business survey element of the study revealed an estimate of 273 in Wales in 1999, which represented 9% of the total speciality producers across the UK. Across the piste, speciality food production was concentrated strongly in rural areas and small towns. Interestingly, in terms of overseas exports, Wales was the leading region, contributing 33% of the total speciality exports from the UK in 1999.

The Situation and Outlook to 2020 for the Welsh Sheep and Beef Industry - Hybu Cig Cymru/Meat Promotion Wales, 2007

This report examined the condition of the Welsh Sheep and Beef Industry in 2007 and outlined the likely position of the industry for the period up to 2020.

Based on the research, the report set down a number of strategic options for the industry, and the need for Hybu Cig Cymru to focus efforts upon the following areas:

- Ensuring greater consistency and quality of carcases;
- Capitalising on the existing EU market;
- Exploiting opportunities in the new EU member states;
- Exporting outside the EU;
- Improving production Efficiencies;
- Promotion;
- Marketing of edible offal/by-products; and
- Production Focus.

3. Programme Level Activity

A wide range of research and monitoring reports has been carried out in support of programme level activity. This section of the report examines a selection of these over the period 1999-2008.

3.1. Taste of Wales Membership Survey, 2001

Ontrac were commissioned to carry out a quantitative survey of Taste of Wales members, to measure attitudes towards the effectiveness of the programme operating at the time. The research was targeted at a census of all 350 members of Taste of Wales, along with a comparison group of 100 non-members.

3.2. Satisfaction Consultation Exercise, 2001

This survey of food producers was carried out by Ontrac, to test attitudes to Food Directorate events and initiatives. The sample frame was a census of the Food Directorate database, and a response rate of 41% was achieved, using a telephone survey approach.

3.3. Post Evaluation Study of Organisers of Food Festivals, 2002

This brief survey, conducted by Ontrac, tested attitudes and experiences of Food Festival organisers across Wales. A sample of 17 festivals returned questionnaires.

3.4. Food Producers: Attitudinal Tracking Study, 2001-3

This longitudinal survey of food producers was conducted by Ontrac, to test market conditions and levels of satisfaction with Food Directorate initiatives. Responses were achieved from approximately 500 producers in each case.

3.5. Strategic Direction Briefing Evaluation, 2004

This was a brief piece of work surveying delegates attending a WDA Agri-Food briefing in Cardiff. The survey covered 30 individuals attending the event and measured attitudes towards the WDA and the Agri-Food function.

3.6. True Taste and Blas Research, 2001 – 2008

Blas is a programme whereby a “restaurant” is set up at prominent events, selling dishes based on True Taste winners’ products. The concept form part of a wider portfolio of products to raise awareness of award winning Welsh produce.

Measurement of Effectiveness Survey: True Taste Experience, 2001

This survey, conducted by Ontrac, measured attitudes towards the True Taste Experience events, held in the Hayes, Cardiff in Autumn 2001. A total of 480 questionnaire responses was achieved, reporting on aspects of the event, such as the programme, visitor origins, awareness of Welsh produce and likelihood of purchasing Welsh produce in future.

Improving the Food Offer at the National Eisteddfod, 2003

This research report, compiled by Ontrac, reviewed the food offer at the National Eisteddfod, including a comparison with similar events elsewhere, with a view to creating an opportunity to promote quality Welsh food, whilst improving service to visitors at the same time.

Blas, The Best of Welsh Food, Cardiff and Elsewhere, 2003

The Old Library café / exhibition / showcase facility in Cardiff established the Blas brand and in turn this led to the development of a concept / footprint for mobile events in Wales. This led to subsequent events in 2003, which took the concepts developed in the Old Library for using the Blas brand. These events were Hay-on-Wye, the Royal Welsh Show, the National Eisteddfod and the WPGA European Championships. The research discusses the various merits of each event and the impact of the Blas brand. The recommendation section of the presentation provides a list of actionable areas for consideration when applying the Blas brand. These are concerned with the event type and audience considerations, the format of the event and the implications on food provision (e.g. retail, 'food to go', theatre), location, suppliers and marketing and PR support. The Blas development planning section is concerned with raising awareness of the following issues;

- State of play;
- Building business, in particular;
    - Stakeholder retention
    - Acquisition of new business and the growth of Blas
    - The 'Blas' Club
- Defining Blas
- Next Steps.

Finally, the next steps section identifies principles in which to take Blas forward. They are; to agree the Blas brand, define a marketing plan, establish budget requirements, discuss timings and identify decision makers.

'Mobile' Blas, 2003

This report documents the findings from comment cards received at the Royal Welsh show, the National Eisteddfod and the WPGA European Championships in Porthcawl. In total, 192 comment cards were received. This comprised 44 from the Royal Welsh Show, 130 from the National Eisteddfod and 15 from the WPGA Championships. As a whole, the majority of respondents felt the food and atmosphere was very good at all events. In particular, respondents from the Eisteddfod scored atmosphere higher than respondents from the Royal Welsh Show. Quality of service also scored highly at all events as did the exhibition area. The primary shortfall in all three events was the value for money, which in the case of the Eisteddfod was particularly poor.

Blas 2008

Three events were supported during 2008: the Royal Horticultural Show, the Eisteddfod in Cardiff and the Hay on Wye Literary Festival.

Eisteddfod 2008

FMDD commissioned research at the National Eisteddfod, 2008 to test awareness of Welsh produce and food, current consumption of selected food products, attitudes to local food and perceptions of Blas. The research followed support for the Blas concept to be delivered at the Eisteddfod, as a platform for True Taste award winners and as a means of raising the level of the food offer at the event. The research comprised a quantitative survey of 250 attendees.

Results showed very positive reactions to Blas food quality, atmosphere of the restaurant and quality of service. The majority felt that the Blas provides a good showcase for the True Taste Award winners.

Hay Festival 2008

The Blas presence at the Hay Festival was researched using the same methodology as at the Eisteddfod, above. Once again, a quantitative sample of 250 attendees was asked about attitudes to Blas and to Welsh food and drink in general. Results at Hay were broadly similar to those at the Eisteddfod, with high ratings for quality of food and service, but with some concerns over cost.

3.7. WDA Food Directorate - Action Plan and Research on Welsh Organic Foods – March 2002, Insight Research

The organic marketing sub-group established by the Food Directorate of the Welsh Development Agency instigated this research project in the summer of 2001. The aims of the project included identifying the current position of the UK organic food market, assessing the potential for Welsh produce within this market and recommending strategies and actions that would allow opportunities identified by the research to be exploited for the benefit of Welsh producers. In addition, the food directorate desired research into funding mechanisms that would allow the recommended strategies and action points to be implemented. The report stresses that a key aspect to understanding the recommendations of the report is to appreciate the division of Welsh organic produce into two strands. These are primary products and manufactured products.

The action plan specifications are summarised as follows:

- Appoint two marketing officers: One sales officer and a marketing and planning officer;
- Commission further market research;
- Undertake promotional activity;
- New product development;
- Integration with other marketing operations.

Research into trade focussed on six main areas; market growth, the supply side, organic meat, organic milk, the major retailers and welsh brand or Welsh identity.

Within each area the report highlighted characteristics pertinent to understanding issues surrounding organic foods in Wales.

The report specified that no single funding mechanism would allow for the full implementation of all of the recommended strategies and action points and concluded that:

- A number of strategies and action points will be dependent upon funding by the food directorate of the WDA;
- Other options include the use of the Marketing Development Scheme (MDS), leader +, potential joint initiatives with retailers and co-funding organic food jointly with the Welsh Tourist Board;
- Welsh Local authorities offered support but not funding;
- Although there is an apparent shortfall of funding mechanisms, flagship recommendations should receive adequate funding from Food Directorate funds or direct applications under Priority 5, Measure 1 of the Objective 1 programme.

The report also documented research undertaken regarding the issue of public sector procurement and the possibility of creating an 'instant' market for organic produce through a change of policy within public sector organisations. A series of consultations were held with public sector procurement officers to investigate the validity of such proposals and the findings of that research are documented below.

- Although the public sector is a crucial component of the Welsh market place, the price premiums currently charged on organic food makes the public sector an unappealing market for such products and services.
- The magnitude of the public sector purchasing power is often overstated.
- Although organic produce could be specified within contracts by public sector organisations, there is very little certainty that such a specification would not result in higher prices, a factor which public sector organisations are not keen to risk.

3.8. Demand for Advance Food and Drink Processing Facilities, 2003

In 2003, consultants Promar were commissioned to investigate the state of the food and drink sector and to ascertain potential demand for food premises across Wales. A total of 222 interviews were conducted with food and drink businesses, mainly face to face, along with visits to food parks and advance food premises in Ireland, England, Scotland and Australia. The research recorded a high level of concern regarding premises across the industry and the need for construction of tailored facilities to be supported. The report also highlighted the potential for a stronger role for the three Food Centres in Wales.

3.9. How to Tell the Story, 2004.

Beaufort Research provided an illustration of how to market Welsh food and drink. Background information on Welsh residents showed 74% of consumers overall could name some Welsh products (Lamb, Beef and Cheese), whilst 66% of consumers found it difficult to think of any Welsh Brands, and urban areas had a lower level of awareness than rural. The three elements which influence the purchase or desire for Welsh and local food were price, taste, and healthiness according to resident surveys. Locally produced, country of origin, and organic did not have much influence on the appeal of Welsh and local food. This information influenced some basics for marketing:

- “Promote on the basis of taste, health and quality”
- “ ‘Welshness’ of a product is of secondary value”
- “Consumers do not ‘seek out’ Welsh produce so we need to increase visibility and availability”
- Consumers need to be given “a reason and benefit for buying Welsh. That reason needs to emphasise taste, health and quality- characteristics they favour”
- “This needs to be done within the confines of State Aids”

Marketing objectives were then created:

- “To raise awareness of the quality and diversity of food and drink from Wales”
- “To increase consumption of food and drink from Wales” **Error! Bookmark not defined.**
- “To increase availability and visibility of Welsh produce in retail and hospitality”
- “To build a thriving food culture in Wales and substantiate the overall True Taste message”

The True Taste Brand was then built on the idea of ‘Good Food – True Taste – Real Pleasure’ and built on attributes including authenticity, purity, naturalness, pleasure, integrity, quality, and the desire to convey the idea that Wales is the home of a thriving modern food culture. In marketing food in Wales, lists of what to ‘Do’ and what not to do (‘Don’t’) were presented:

Do	Don’t
Focus on food and the pleasure of eating	Focus on the production process
Convey message that Welsh food tastes like real food ought to	Convey food as over-processed
Build idea that Welsh food is the inspiration for great meals	Show raw meat or processing shots
Depict food and people in a modern,	Use old fashioned, sentimental, folky or

informal way	quaint images
Focus on food in a simple, unfussy way, appropriate to the idea of naturalness	Present food as too elaborate or fussily presented
Use Wales' environment as a back up	

3.10. Demand and Commercial Opportunity for Welsh Produce in the Foodservice Sector, 2005

Beaufort Research was contracted to conduct research to identify demand and commercial opportunity in the foodservice sector. The number of interviewees included consumers (1017), the hospitality sector (508), the public sector buyers (40), and the contract caterers (8). The report was delivered in July 2005.

The objectives of the work were to:

- Measure current usage of and demand for Welsh / local produce within the hospitality sector and amongst public sector buyers and contract caterers in Wales;
- Establish the suppliers of Welsh / local produce amongst public procurement and hospitality sector buyers and contract caterers;
- Understand the reasoning behind the choice of sources of Welsh / local produce amongst the above groups;
- Explore how Welsh / local produce is presented to the consumer, and attitudes towards that presentation;
- Understand consumer demand and trends towards Welsh / local produce when eating out.

3.11. Retail Food Service Opportunities for Local Food, March 2006

In early 2006, the IGD (Institute for Grocery Distribution), a source of information, research and education for the food & grocery industry in Britain, were commissioned by FfB (Food from Britain) to carry out research into the local food opportunities available to retailers and foodservice operators.

The research found that local food offered retailers and foodservice provides an opportunity to differentiate from their competitors but also to create a greater community presence. The research also found that consumer demand for local food is growing and with this in mind, local foods are becoming increasingly valuable.

The research took a multi-faceted approach focussing on the following areas of foodservice:

- Purchase Trends;
- Purchase Drivers;
- Barriers to Purchase;

- Product Choice;
- Purchase Channels;
- Promotion.

Purchase Trends

The research found that there is an increasing trend in shoppers to seek the assurance and quality that local food provides. All age bands surveyed showed increased proportions buying locally with the exception of the 55-64 age band. Across the period 2005/2006, the proportion of shoppers buying local food rose 4% to 65% with a further 9% willing to buy if it was more available.

Purchase Drivers

Although there is awareness that buying local food supports local producers and retailers and the local economy, the greatest driver of local food is freshness. Of increasing importance when buying food locally is the perception that it is better for the environment.

The attraction of local food is that the quality will be greater as the food has not travelled as far and will be less likely to have deteriorated during that time. There still exists cynicism amongst buyers even if the location of the food production is known. If they are to pay a premium on local food, they need to know that more care and attention has gone into these local products as this cannot be guaranteed just because the produce is local.

Barriers to Purchase

There are two main barriers in the purchase of local foods: price and availability. With regard to availability of local food, it appeared to have increased over the period 2005-2006. However, there is also a stronger sense that local foods are more expensive than alternatives. The majority of shoppers buy their food at supermarkets and hence the presence of local foods on supermarket shelves needs to be looked at. A balance needs to be struck between the premium paid on local food and the perception that it is considered only as a special occasion.

Product Choice

Vegetables and fruit were the most popular local foods bought by 66% and 46% respectively. Other important foods were eggs, bread, milk, red meat and poultry. There has been an increase in purchasing of local products in most food categories since the last piece of research however the penetration of local food stuffs in the following categories remains low: confectionery, cooking sauce and soft and alcoholic drinks.

Purchase Channels

The research found that the most popular place for the consumer to purchase local foods was in a special section of a supermarket. Time and availability are two of the most important barriers to buying local food and so making it easy to find this section in the supermarket is very important. Specific promotions and communications can direct the customer to these areas and also promote the awareness of local foods to those not in the knowledge.

Promotion

The main purchase drivers for local foods were revealed to be matters such as freshness, quality, reassurance and supporting the local producer however these are more visible when dealing directly with the producer. Therefore growing the local food market through specialist outlets is more about building awareness of the outlets, their opening hours and the range of products available. Possible means of doing this include advertising through local media, the internet of mailouts. There is clear demand from consumers to see local food on menus in restaurants. This can be used by foodservice outlets to differentiate themselves from their competitors and through doing so, promote local foods.

Conclusion

The research concluded that there is huge opportunity to grow the local food market. Availability has increased and is continuing to increase food retailers, foodservice providers and suppliers as they increasingly work together. The critical factor is pricing: if local food is to be more expensive, then the consumer has to be assured that they are getting value for money.

3.12. Review of the SE Wales Agri-Food Partnership, 2007

In March 2007, Cardiff University was asked by FMDD to carry out a review of the SE Wales Agri-Food Partnership, to investigate its internal structure and positioning within the wider sectoral context. The research comprised a series of face to face and telephone interviews with approximately 30 members of the regional partnership, using a questionnaire devised by FMDD.

Results suggested that members had a good broad understanding of the aims of the partnership and that the majority felt that the partnership could become more proactive, through focusing on topics such as farmers' markets, food festivals and other means of connecting small producers with consumers. Links to the wider public sector arena were perceived to be good and the partnership itself was felt to encompass an excellent range of skills, although these were not always harnessed to produce results on the ground. Opportunities were identified in local procurement, food tourism and the 2010 Ryder Cup.

3.13. Agri-Food Data Update, 2007

In 2007, consultants DTZ were commissioned to provide an update of data on the agri-food sector in Wales, in support of policy development and programme monitoring. Data included a review of output and employment by sub-sector, including "extended" sectors of hotels and catering and forecasts for employment and output up to 2015. A review of export values was also included within the review.

The report provided an updated baseline for understanding the sector in Wales from 2003 figures, along with longer-term trends and areas of potential opportunity for development.

Quantitatively, it showed:

- **An increase in the number of holdings of 2,000 over the period.**
- **An increase in cattle and calves on holdings – from 1,241,000 to 1,300,000, although sheep and lambs fell in number.**
- **An increase in wheat and potato production.**
- **1,549 million litres of milk produced – of which 99.8% went into the wholesale market.**
- **64,390 ha of land under organic management – a significant rise since 1999 and representing 16% of the UK total organic land.**
- **23,000 workers employed in food and drink production in 2005 – similar in number to 2001 and concentrated in meat and poultry processing and baking.**
- **81,000 employed in hospitality in 2005 – an increase of 34% over a five year period.**
- **£126m worth of food and drink exports to non-UK destinations in 2006, including £36.7 in meat and meat products and £21.1m of fish and aquaculture produce.**

3.14. Analysis of Food Issues – PMSU, 2007

UK Cabinet Office produced a report on trends in food consumption and production in the UK and their implications for society, the economy and the environment. FMDD used and disseminated the results in support of a more informed sector in Wales.

3.15. Public Procurement of Food Study, March 2007

In early 2007, the Food Market Development Division (FMDD) of the Welsh Assembly Government commissioned DWE Consulting Ltd to look at buying policies and practices of public sector bodies across Wales including Local Authorities, Healthcare Trusts and Emergency Services. The study intended to focus on 'Local' food sourcing and other sustainability measures such as recycling. One of the outcomes of the research was to provide FMDD with a greater understanding of the procedures, rules and regulations involved with public sector food procurement. The research will be used to develop support mechanisms and procedures that allow FMDD to work with private sector food suppliers and a greater proportion of localised buyers.

The study comprised four different public sector bodies and tackled them in order of scale:

- Local Authorities;
- NHS Trusts;
- Fire and Rescue Service;
- Police.

Although each organisation was aware of issues such as 'local sourcing', environmental impact and sustainability, there were varying levels of commitment and ways of dealing with them. Therefore, the findings of the research emerged in relation to the distinct public bodies and their methods of food procurement.

Local Authorities

The majority of Local Authorities sourced their fresh produce (meat, milk, bread) locally but cited a lack of local suppliers as a reason for sourcing general groceries from large national suppliers. These large scale contracts go to tender but receive few or no applications from Welsh companies. There was currently no standard food procurement procedure: Some LAs preferred to deal directly with the supplier and some used private food procurement companies such as 'The Consortium' used by the Vale of Glamorgan.

However, the contracts of Newport, Monmouthshire, Torfaen and Blaenau Gwent were managed under the umbrella of the Welsh Purchasing Consortium, covering milk, bread, groceries, frozen food and cakes. This collaborative procurement was managed by Newport County Council which added to economies of scale, improves efficiency and helped to drive better value.

NHS Trusts

There were two main methods of procurement for the Welsh NHS Trusts; they can choose to directly deal with the food suppliers or they can choose to participate in the purchasing arm of the Welsh NHS, Welsh Health Supplies. Welsh Health Supplies commissions large scale contracts for all food areas individually, for example milk. Each contract aimed to source locally but this was not always possible.

Fire and Rescue Service

The South Wales Fire and Rescue Service appeared to locally source most of its food. They operated from one site which provides 400 meals a day for workers. The Service managed seven large scale food contracts for each of the food areas, six of which are claimed to be sourced from 'local' suppliers. However, individual fire stations managed their own contracts on a station by station basis. This was due to the number of staff being relatively low (average of seven) in each of the station and managing an overarching contract would be unwieldy. Each fire station's food sourcing was not subsidised so the central office could not control these purchases.

Police

The food procurement methods of Gwent Police Force were studied over the course of the research and were found to have two main strands. The staff working at the Head Quarters in Cwmbran were supplied with light meals (sandwiches and snacks) provided by Caerphilly Council and the detainees were provided with ambient meals contracted via Kent Police. With regard to individual police stations, the situation is similar to the Fire and Rescue Service where each station sources individually.

Recommendations

The study provided some recommendations based on findings throughout Wales that aim to help FMDD engage with private sector suppliers and create or stronger local network of food procurement:

- Consider arranging a South East regional 'Meet the Supplier' Event;
- Distribute Food Company Database Data to Procurement Managers;
- Circulate Procurement Professional from the Public Sector in publicity about the operations of the FMDD;
- Consider further actions e.g. one to one supports, for Food Companies that seek to pursue Public Procurement Contracts;
- Consider ways of supporting Procurement Managers with ways of addressing 'sustainability' in the wording of tenders;
- Consider ways of helping Food Companies in responding to Tenders particularly in relation to topics such as sustainability, food miles, environmental impact and recycling.

3.16. Retailer Update 2007

This report looked at the major food retailers and what they were doing in terms of local food procurement in Wales. The retailers were: Asda, Spar, Co-op, Morrisons, Tesco, Sainsbury's and Waitrose.

Asda

Asda aimed to increase the number of local products in their stores to include one full bay per category of local foods by January 2008. This launch will encompass all categories in chilled, ambient and non-foods. They also focussed on reducing packaging and adding a 'Made in Wales' logo to local food packaging.

Capper (Spar)

Capper launched some new lines and expanded their Welsh range at a trade fair on 25th September 2008.

Co-op

At the time of the update Co-op were progressing with 17 new local food suppliers supplying 63 new lines. They are planning to support the new lines with a range of new marketing materials promoting local food.

Morrisons

Levercliff on behalf of Welsh Assembly Government have proposed a regional supplier forum for early September followed by a "meet the buyer" event. The meet the buyer will focus on Bakery, Water, Cheese and Organic as these are key areas for Morrisons.

Sainsbury's

Sainsbury's have created a 'Champion Wales' campaign and allocated a team of specialists to it. The team are travelling to local suppliers all around Wales and will make a visit to the Food Centre Wales in Horeb. At the Royal Welsh Show they will host a forum called 'Supply Something New'.

Tesco

Tesco is currently in the process of relaying the progress made with local companies following the event at the Botanic Gardens.

Waitrose

A meeting has been planned with the contact and will attempt to update Waitrose and identify a way forward with regard to local food sourcing.

Summary

There are some excellent opportunities for companies wishing to develop business with the multiple retailers over the next few months.

It is essential that companies are adequately prepared to both win the business when the opportunities arise and going forward manage the account to ensure sustainable growth and a long-term relationship.

3.17. Waste and Environment Impact Research for Food and Drinks Companies in the South East Region, April 2007

In order to support its commitment to sustainability the Food and Market Development Division of the Welsh Assembly Government commissioned ADAS to carry out research into waste management and generation, and its associated environmental cost. The research also looked at the environmental impact of food and drinks companies in South East Wales.

In order to provide the industry with further support on waste management, the research comprised of a series of waste audits on a pre-determined selection of food and drink companies in the study area. The audits gathered qualitative and quantitative information on the production and management of the waste streams in each of the companies in an attempt to identify areas of improvement.

Furthermore, the research aimed to reveal whether there has been substantial market failure in the provision of sustainable waste management services to the industry.

The key areas of concern were:

- Lack of information held by companies on waste quantities and costs associated with waste management;
- Lack of formal action by companies to minimise waste at source;
- Limited options for the collection and recycling of contaminated packaging ;
- Limited options for the collection of rigid plastic packaging.

With regard to developing a waste minimisation programme, a number of opportunities were identified. These were:

- Good practice among the companies audited, which could be disseminated more widely throughout the industry;
- The potential for developing new collection and recycling services for waste stream such as packaging wastes and hazardous wastes;
- The potential for developing strategic decision support tools to facilitate the development of more comprehensive recycling infrastructure.

The FMDD aimed to consider the recommendations made in this piece of work and will involve it in the development of the regional plan for the agri-food industry.

3.18. Welsh Food & Drink Statistics, 2008

The food and drink industry in Wales makes up a significant proportion of the value of the economy. This report detailed the value of the industry to Wales, along with its importance in terms of employment and exports. It also commented on the importance of Welsh 'Fine' or 'Speciality' foods.

Value

In 2005, 3.6% of the total Welsh turnover was made by the food and drinks processing industry accounting for an income of £2.8 billion. In addition there is the hospitality sector (pubs, catering, hotels), which turns over 3% of the Welsh economy, a substantial contribution.

Employment

In 2005, there were 23,000 workers in the food and drink industry in Wales. This number, although initially sounding big, fell by 2% in the years since 2001 and in 2008 contributed just 2% of the total Welsh workforce. However, the hospitality sector experienced a 34% increase over the same period and employed 81,000 people or 7% of the Welsh workforce.

A third of employees in the hospitality sector were employed in bars, while a further 30% work in restaurants. A fifth work in hotels and around 7% employed in catering.

Exports

There were only about 50 Welsh companies exporting currently which accounts for about £25 million in value. However, this figure only accounted for processed foods rather than primary products so the value was likely to be much higher than this.

About £3.44 million of new exports per annum have been secured by Welsh exporters in the food and drink industry.

Fine Foods

There was no current output figure for the 'Fine' food sector in Wales and furthermore, there is no strict definition on what 'Fine' food includes. This said, the value of purchases from Food Festivals and Farmer's Markets in Wales exceeded £14 million. The exposure of local food created by these events helped to promote consumer knowledge on local foods, nutrition and environmental impact and could help to make an informed and educated decision in the multiples.

3.19. Food Hubs: The Missing 'Middle' of Local Food Infrastructure, July 2008

In July 2008, following commission from the Welsh Assembly Government, the BRASS centre at Cardiff University produced a report concerning Food Hubs. It aimed to answer three central questions on the subject, which were:

1. What is the meaning of the Food Hubs Concept?
2. What are the main commercial examples?
3. What is the relevance of Food Hubs to the Welsh agri-food strategy?

Furthermore, the report asked whether there is a missing middle in the local food infrastructure in Wales. This middleman would be a mechanism by which small producers could connect through a middleman to their customers, be it directly or through large scale bodies such as supermarkets.

With regard to answering the first question, the research concluded that the concept of Food Hubs differs depending on what purpose is conceived for them. A simplistic conception of a food hub could be a system solely where food sourcing and supply is coordinated. Conversely, a food hub may consist of a multifunctional market system (becoming more credible through internet shopping) comprising of direct links between the producer and the consumer. The research goes on to demonstrate how the Food Hub may act; from simply sitting as a traditional wholesaler or commodity warehouse to acting as a form of 'introduction' agency between producer and consumer.

The following table provides a SWOT analysis of the pros and cons of proposed models of Food Hubs being led by different parties.

	Retail-led	Public Sector-led	Producer Entrepreneur-led	Producer Cooperative-led	Wholesaler-led
Strengths	Retail provides expertise Hub has common	Public stakeholder support / expertise Open to funding	Individual commitment Simple management structures	Broad expertise base Constituents able to do	Strong experience and understanding of market

	goal		Entrepreneurial attitude	what they do best. Broad resource base	Good reputation Well-developed infrastructure
Weaknesses	Producer may be over -reliant on retailer	'Imposed Solution' Liable to: inappropriate financing/lack of emphasis on financial viability; Inappropriate internal expertise; Lack flexibility to respond to market change	Narrow expertise base Can lack financial resources Business ambition often reflects personal ambition	Relies on true cooperation including shared priorities Can suffer from management 'by consensus'	May lack understanding of sustainability / production issues May 'cherry pick' range Usually not commodity focused
Distinguishing Opportunities		Public sector support acts as PR/advertising Set up to meet public sector needs (e.g. procurement)	Stakeholder respect for producer entrepreneurs		Able to engage in existing supply relationships
General Opportunities	Can tap into unmet demand for local food products from consumers Can provide environmental / social / economic benefits to localities Can assist food providers in developing positive PR				
Distinguishing Threats	Retailer can switch hub/withdraw from local range Market with retailer may be limited	Changing demand			
General Threats	The development of other forms of local supply arrangements Market / Consumer demand downturn Supply problems due to localised supply base				

The research finally asked how relevant Food Hubs are to the Welsh agri-food strategy. It recognised that the agri-food strategy indirectly requires the formation of mechanisms akin to those of Food Hubs and that existing schemes have been a great success in deprived areas, linking nutritional issues with local sustainable food production.

The research used the *Farming, Food and Countryside* report (WAG (a), 2008) to exemplify the relevance of Food Hubs to the agri-food strategy in which the report stated that a local Food Hub approach might be useful in helping small producers in winning tenders for supplying large volume contracts, and although this recognition was made in reference to public sector contracts the principle applied equally to training and facilitating farmers to deal with large private sector purchasers.

In conclusion, the research proposes three scenarios related to the development of Food Hubs in Wales:

1. Freedom for the Entrepreneur – recognizes the presence of a committed and imaginative entrepreneur;
2. Solution looking for a Problem – arises from a lack of clarity about policy aims and deficient knowledge about food markets and the capacities of, and opportunities for, suppliers as well as the limitations of policy interventions;
3. Honed public sector response - in this scenario the Food Hub is able to address the needs of the missing middle and is sensitive to the requirements of differing markets.

In developing a public sector approach to Welsh Food Hubs the report recommended that the main focus be placed on Scenario 3 while policy support for Scenario 1 is maintained and strengthened.

3.20. Report on Welsh Identity Brands to Provide Learning in the Development of Strategy and Positioning for Welsh Food and Drink

This document summarised of the analysis of a wide selection of Welsh identity brands ranging form the Welsh Tourist Board to the Welsh Rugby Team to a selection of consumer food brands. The context for this report was the development of a strategy and positioning for Welsh food & drink. The emphasis of the report was to aid understanding on how existing Welsh brands position themselves and how they communicate this through their identities. The report concluded that the red dragon was the most dominant icon used in Welsh brands. Examples of its use are stated as the Welsh flag, the WDA, Welsh Lamb and Welsh Beef. It was suggested that the use of the red dragon signifies a number of key values and traits of 'Welshness'. Most notably, these are characteristics of strength and resilience or Welsh pride and passion. The document differentiated between contemporary uses of the red dragon and historical uses, suggesting that these new brands can be said to be "breathing new life into an old symbol". The report stressed that the red dragon is not the only image used and details a comprehensive list of alternatives as well as providing examples of brands which use them. A selection of this imagery is listed here:

- The daffodil;
- The prince of Wales' feathers crest;
- Natural landscape;
- Maps of Wales;
- The Welsh Language.

Welsh language use in consumer brands was considered to display patriotism and provides a means for differentiation within Wales. Example Welsh Language use included Ty Nant and Pant-Ysgawn, which is a goats cheese produced by Abergavenny Fine Foods.

The report also identified key colours that are used to associate branding with Wales. They were red, green and to a lesser extent, white. Red was justified through its association with hywl / passion, green considered to represent the environment, hope and youth, whilst white was considered as indicative of peace and innocence. Two exceptions to this general rule were stated as the blue used by Ty Nant and Rachel's Organic brands use of black. However, the report stressed that these brands stood out among other brands as examples of modern, stylish and professionally designed.

In conclusion, the report specified that Welsh icons focus on cues of tradition (heritage), craftsmanship and naturalness. Whilst the report expressed concern that this could be potentially backward-looking and niche, it did highlight some examples of more vibrant modern representation of Welshness.

3.21. Consumer Research

During the period 1999 to 2008, a wide range of consumer tracking research has been carried out across Wales, both as stand alone surveys and as part of the Beaufort Research Omnibus Survey.

True Taste – Consumer Attitude Research 2003-2008 (See appendix 2)

This quantitative tracking study, conducted as part of the Beaufort Omnibus Survey, sampled approximately 1000 consumers in home at 68 interviewing points across Wales, on each of six occasions. The research ran annually from June 2003 to June 2008 and aimed to:

- Track awareness and purchasing of Welsh foods and drinks (brands and products) and reasons for buying/not buying;
- Track attitudes to Welsh food and drink products;
- Track attitudes to Welsh restaurants;
- Track frequency of cooking, entertaining and eating out;
- Track awareness of the True Taste brand and associated promotions / events.

The results showed:

- An increase in local production as an influencer in food purchase (from 21% to 30% over the period);

- Increased awareness of Welsh foods over the period (from 74% to 85% awareness);
- Especially significant increases in awareness of Welsh lamb, beef and milk (43%-55%, 25%-40% and 5% to 37% respectively).

Measurement of Effectiveness Survey: Taste of Wales Consumer Campaign, 2002

The then WDA Food Directorate commissioned Ontrac to conduct an evaluation of the Taste of Wales consumer campaign. The campaign generated around 40,000 responses, of which 1,000 were selected at random for follow up in this survey.

4. Local and Regional Activity

Activities of FMDD have been supplemented by a range of locally promoted research and evaluation activities, demonstrating that research is becoming embedded in the sector as a whole.

Examples include:

Riverside Community Market Association, Annual Report 2006-7

This example of an annual report covers all aspects of local organisation of a community market, supported by FMDD.

Riverside Market Survey, 2008

This survey, conducted by the Riverside Market committee achieved 282 responses from market customers. The survey covered issues such as mode of travel, spend, place of residence and perceptions of the market.

RCMA Market Garden Feasibility Study, 2008

This study looked into the feasibility of establishing an intensive market garden enterprise in the Riverside area of Cardiff. The project was designed to build on the success of the Farmer's Market run in the area since 1998.

Abergavenny Food Festival, Annual Reports, 2004-2008

These examples of a supported Food Festival annual report, cover all aspects of event reporting, along with results of visitor surveys and economic impact assessments

Abergavenny Food Festival Business Plan, 2006-08

Abergavenny Food Festival commissioned Ontrac to devise a business plan for the period 2006-08, based on a series of workshops with key staff and board members. The plan used a basic SWOT analysis and some simple audience segmentation to model options for the development of the festival, including potential for extending it from two to three days and the creation of an annual conference to broaden the audience.

5. Other Activity

In addition to the mainstream programme activity, FMDD provides a range of support services to the agri-food sector in Wales, to complement the activities delivered under the Strategy.

Promoting and disseminating factual information to the agri-food sector to inform business decision making. Examples included:

- Data monitoring of consumer markets through Food Matters, Mintel Reports, Euro Monitor, Keynote – all of which FMDD subscribe to in order to support sector competitiveness;
- Production and distribution of Food Bytes – a monthly digest of market reports to signpost industry stakeholders to intelligence held by FMDD.

5.1 Hybu Cig Cymru/Meat Promotion Wales

HCC have been the main body to promote and market the red mat sector in Wales.

They were formed in 2003 and in 2006 were wholly owned by the WAG. During this time

In the financial 2007-2008 year, as a result of the Foot and Mouth Disease (FMD) outbreaks, HCC undertook a major marketing campaign to boost demand for Welsh Lamb in the domestic market, which was supported by WAG funding of approximately £1 million. This enabled light lambs which normally go for the export market to be promoted within the retail and food service outlets in the UK.

- Key achievements of HCC

- Promotional campaigns for Welsh Lamb and Welsh Beef based on the quality characteristics of the PGI (at home and abroad). Campaigns are underpinned with promotional calendars developed in association with retailers and print media consumer campaigns

- HCC produce regular themed kits for retailers to promote Welsh Lamb and Welsh Beef – including St. David's Day kits, barbecue season kits, and a Christmas campaign – which contain recipe booklets, posters and window friezes which assist in the retail of Welsh Lamb and Welsh Beef at the point of sale.

- Development of export markets and export promotions

- Work to encourage the purchase of Welsh meat by the public sector. HCC launched the 'Unique/Unigryw' foodservice initiative during 2007-2008, which encourages the food service sector to brand Welsh Lamb and Welsh Beef. Unique/Unigryw is designed to address customer demand, add commercial value to meals and give an extra lift to the status of Welsh Lamb and Welsh Beef

- TV advertising of Welsh Lamb and Welsh Beef.Entitled '*Wet Your Appetite'*, a Welsh Lamb advert was launched in July 2007 that brings together alternate images of a Welsh Lamb joint being prepared and the rain soaked Welsh landscape.The Welsh Beef advert, entitled 'Passion on a Plate' was launched in November 2004 and shows a series of different beef cuts in preparation to highlight the versatility of the product.

- Support and sponsorship to events
- Organization and attendance at events/ meetings. HCC attend a number of shows and exhibitions on an annual basis, including Italy, France, Germany, Belgium and Spain. This presence abroad boosts the profile of Welsh Lamb and Welsh Beef, and is supported by the presence of Welsh processors and exporters.

- Investment in R&D
- Educational events (schools, health care professionals, etc.)

* HCC has a fundamental role to play, in areas such as:

- Helping more people into jobs
- Improving health (HCC promotes healthy lifestyles and the important role of meat within a balanced diet)
- Developing strong and safe communities (HCC's work has a role in strengthening rural communities through increased prosperity of red meat businesses)
- Creating better jobs and skills (raising levels of educational attainment, skills and innovation is critical if Wales is to compete on adding value)
- Helping the Welsh agri-food industry gain a bigger share of the quality food market

- Developing skills and training suitable for rural settings
- Encouraging schools and hospitals to purchase more Welsh produce.

Appendix 1 – Documents Reviewed

Blas at Hay Festival Report 2008

Food Hubs Report 2008

Report on True Taste Tesco Tour 2008

Review of the UK Horticultural Market
2008

Riverside Community Market Feasibility Study
2008

Riverside Community Market Survey
2008

Wales the True Taste - Tracking Research: Report
2008

Wales the True Taste - Tracking Research: Presentation
2008

Agri-food data update August 2007
2007

Prime Minister's Strategy Unit Evidence report
2007

Public Procurement Food Study
2007

Retail update
2007

Review of SE Wales Agri-Food Partnership
2007

Riverside Community Market Association Annual Report
2007

Strategic Action Plan for the Welsh Dairy Industry
2007

True Taste Brand Tracking 2007

WAG EPC True Taste Wales Report
2007

WAG Migrant Research Annexes 2007

Waste and Environment Impact Research for Food and Drinks Companies in the SE
2007

Feasibility Study for a bottling facility in Wales
2006

Public Sector Food Purchasing Survey
2006

Retail and Food Service Opportunities for Local Food
2006

Strategy and Action Plan for the Welsh Dairy Industry
2006

True Taste Brand Tracking: Powerpoint Presentation
2006

True Taste Brand Tracking: Summary Report
2006

Consumer Research WDA Omnibus Survey: Powerpoint Presentation
2005

Consumer Research WDA Omnibus Survey: Questions
2005

Demand and Commercial Opportunity for Welsh Produce in the Food Service Sector
2005

Foodservice Research
2005

Value of the Welsh Food and Drink Sector
2005

An evaluation study of the attitudes of delegates to the Strategic Direction Briefing
2004

Feedback Report for Food Distribution Into, Out Of and Across Wales
2004

Reference Report for Food Distribution Into, Out Of and Across Wales
2004

Second Organic Action Plan for Wales 2005-2010
2004

Summary Report for Food Distribution Into, Out Of and Across Wales
2004

WDA Wales: The True Taste Tracking Study
2004

Blas Review 2003

Dairy Strategy Update and New Actions
2003

Fisheries and Aquaculture Strategy
2003

Horticulture Strategy
2003

Improving the ‘food offer’ at the National Eisteddfod
2003

‘Mobile’ Blas: 2003 2003

Strategy in Action: Towards 2007 2003

Towards 2007 Consumer Attitude Research
2003

True Taste Experience 2001 and Blas 2003 Research
2003

Wales the True Taste – Presentation
2003

Website Communications Research
2003

Action Plan and Research on Welsh Organic Foods: Part 1
2002

Action Plan and Research on Welsh Organic Foods: Part 2
2002

Action Plan and Research on Welsh Organic Foods: Part 3
2002

Draft Dairy Strategy Update
2002

Post Evaluation Study of organisers of the Food Festivals
2002

Taste of Wales Consumer Campaign 2001-2
2002

True Taste Experience
2002

A comparative study designed to ‘track’ changes in attitudes of Food Producers
2001

Farming for the Future
2001

Food Directorate - Consultation Exercise
2001

Partnership in Action – Towards 2003
2001

Taste of Wales - Membership Survey
2001

The Welsh Agri-foods Action Plans: An Executive Summary Report
1999

The Welsh Dairy Sector - A Strategic Action Plan
1999

The Welsh Lamb & Beef Sector - A Strategic Action Plan
1999

The Welsh Organic Sector - A Strategic Action Plan
1999

UK Speciality Food and Drink Sector
1999

Welsh Rural Food Distribution
1999

Consumer Research How to tell the story Date Unspecified

Improving the ‘food offer’ at the National Eisteddfod Date Unspecified

Report on Welsh Identity Brands Date Unspecified

Appendix 2

Some observations made from the Latest Omnibus tracking survey on True Taste and Welsh Food.

Wales the True Taste

Tracking Research

June 2008

Research Objectives

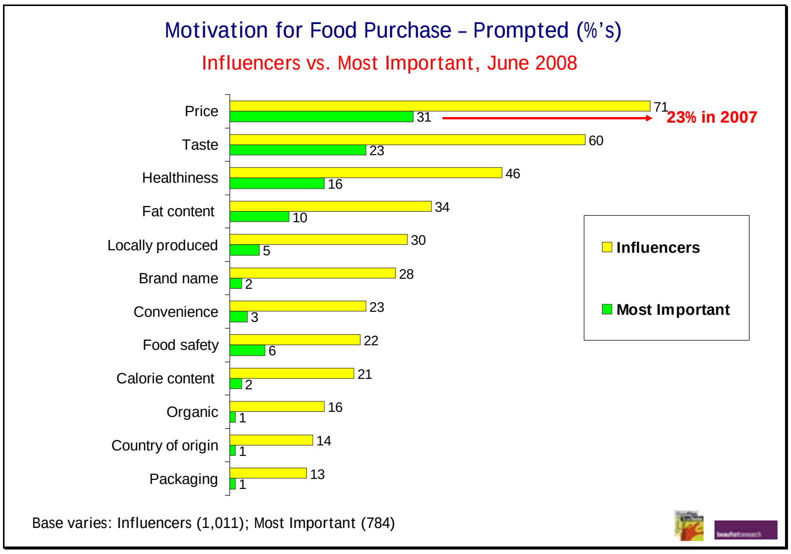
- Track awareness and purchasing of Welsh foods and drinks (brands and products) and reasons for buying/not buying
- Track attitudes to Welsh food and drink products
- Track awareness of the True Taste brand and associated promotions / events

Methodology

- Fieldwork:
  - Wave 1 = 11th - 14th June 2003
  - Wave 2 = 23rd - 26th June 2004
  - Wave 3 = 16th - 21st June 2005
  - Wave 4 = 15th - 20th June 2006
  - Wave 5 = 15th - 23rd June 2007
  - **Wave 6 = 13th - 22nd June 2008**
- C. 1000 face-to-face in home interviews
- 68 interviewing points throughout Wales
- Representative sample of the adult population resident in Wales aged 16 and over
- Quotas set on age and social class within sex
- Data weighted by age group within gender within Local Authority grouping

Sample - June 2008

	Actual	*Weighted*
Region		
North Wales	214	233
Mid/West Wales	178	172
West South Wales	179	172
The Valleys	185	181
Cardiff & South East Wales	255	254
Gender		
Male	462	481
Female	549	530
Social Class		
ABC1	451	447
C2DE	559	564
Age		
16-34	307	298
35-54	320	349
55+	384	364



Motivation for Food Purchase – Prompted (%'s)

2003 to 2008

Rank		Influencers J03	J04	J05	J06	J07	J08	Most Important J03	J04	J05	J06	J07	J08
1	**Price**	64	58	61	65	60	71	27	25	24	27	23	31
2	**Taste**	59	59	66	65	60	60	21	25	24	23	22	23
3	**Healthiness**	41	41	51	52	51	46	12	13	19	19	27	16
4	**Fat content**	32	33	38	37	30	34	7	9	8	8	7	10
5	**Locally produced**	21	19	26	23	27	30	2	3	3	2	4	5
6	**Brand name**	37	27	30	29	22	28	3	4	2	2	2	2
7	**Convenience**	29	19	23	24	17	23	4	2	3	2	2	3
8	**Food safety**	24	17	24	27	20	22	5	3	4	5	5	6
9	**Calorie content**	25	20	25	26	19	21	3	3	3	3	2	2
10	**Organic**	16	9	13	11	13	16	2	1	1	2	2	1
11	**Country of origin**	18	10	13	15	12	14	1	1	1	1	1	1
12	**Packaging**	22	8	9	11	9	13	1	1	0	0	0	1

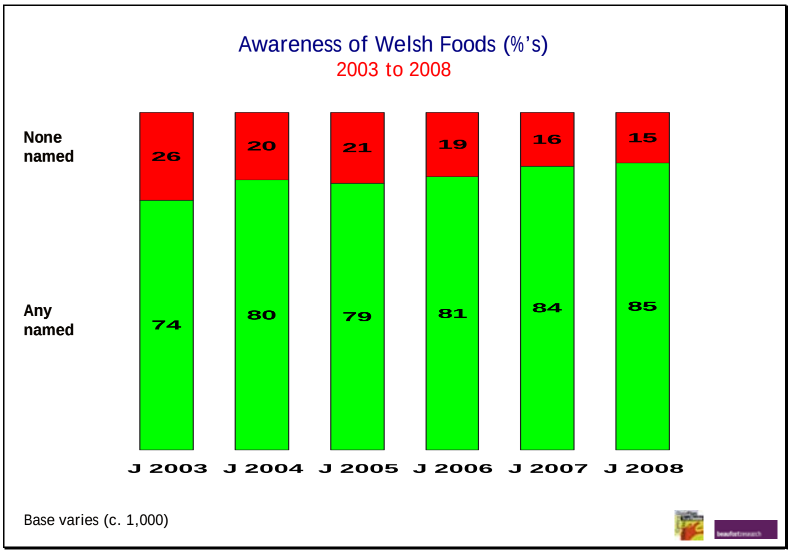
Base varies (c. 1,000)

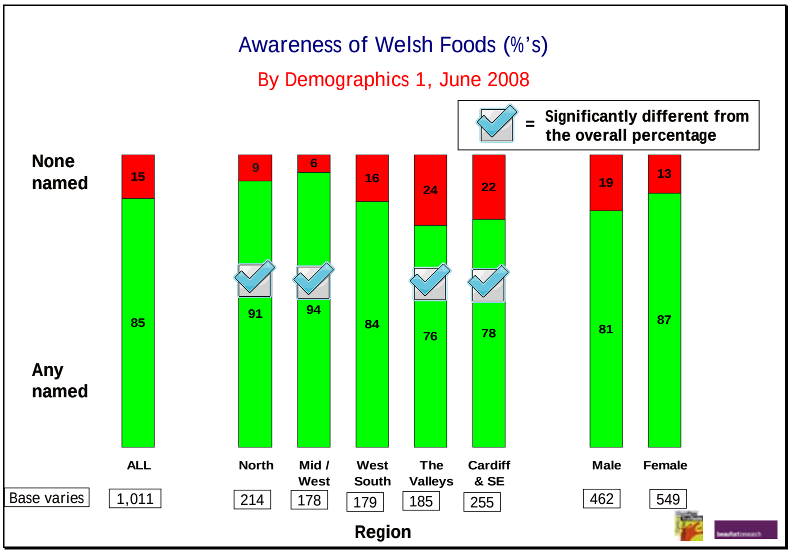
We can see that price and taste continue to be the key motivators for food purchase. It's not surprising given the current economic situation that the importance of price has increased this year. There was an 11% increase in the number of consumers recognising that price influenced their purchasing behaviour and an 8% increase in consumers stating that price was the most important factor to consider when purchasing food.

The last two years have seen an increase in the importance of buying locally produced food. The only 'motivators' ahead of local produce are those of cost, health and taste. Brand name has also increased this year (by 6%), though when the omnibus research is repeated it might be beneficial to define what is meant by 'brand'. For example do we class supermarket ranges as 'branded'?

It would appear that 'country of origin' is not considered a key motivator for food purchase. The slow increase rate isn't representative of general market research which states the idea of provenance is influencing consumer's food purchases more and more.

Consumers are appearing less influenced by the 'healthiness' of food products. There is a 9% decrease in the amount of consumers stating it's the most important factor when purchasing food. Recent market research indicates consumers are becoming sceptical over certain health claims. Consumers are however more concerned with the fat content of their food.


Awareness of Welsh Foods (%'s)
2003 to 2008
None named
Any named
26
74
20
80
21
79
19
81
16
84
15
85
J 2003
J 2004
J 2005
J 2006
J 2007
J 2008
Base varies (c. 1,000)


Awareness of Welsh Foods (%'s)
By Demographics 1, June 2008
= Significantly different from the overall percentage
None named
Any named
15
85
9
91
6
94
16
84
24
76
22
78
19
81
13
87
ALL
North
Mid / West
West South
The Valleys
Cardiff & SE
Male
Female
Base varies
1,011
214
178
179
185
255
462
549
Region

Awareness of Welsh food continues to increase, despite this being gradual. As we can see the North Mid/West and West South have the greatest awareness of Welsh foods. This is not surprising given that these parts of Wales are both closer to the land and farming communities.

Consumers from The Valleys appear to show the least awareness of Welsh food which could well be attributed to product availability and financial limitations. However, it is important to bear in mind that 76% of Valley consumers stated they were aware of Welsh foods, which is still relatively high.

Cardiff and the South East also show a lower level of awareness of Welsh food products. This could be attributed to the fact that within the urban parts of Wales there are more socially deprived areas. It also needs to be taken into consideration that there are also different ethnic groups many of which would not be aware of Welsh food products.

We can also see that females appear to have a greater awareness of Welsh foods. Despite the decline in traditional gender roles it could still be argued that women tend to do the household shop.

Which Welsh Foods Spontaneously Come To Mind (%'s)

Rank		J 2003	J 2004	J 2005	J 2006	J 2007	J 2008
1	Welsh Lamb	43	52	52	52	52	55
2	Welsh Beef	25	32	33	31	38	40
3	Milk	5	24	28	27	40	37
4	Other cheese	21	25	25	25	28	30
5	Butter	8	25	27	26	26	29
6	Potatoes	3	19	21	19	23	25
7	Caerphilly cheese	19	22	22	19	19	20
8	Laver Bread	9	11	12	11	13	16
9	Vegetables	2	3	3	3	5	8
10	Eggs	2	2	2	5	5	7
11	Rachel's Dairy Yoghurt	4	5	4	5	5	7
12	Welsh Cakes	2	3	4	6	4	5
	Other	17	22	20	25	26	26

Base varies (c. 1,000)

Data collected differently in 2003

With spontaneously named Welsh foods it tends to be generic named products like meat and dairy that come to mind. Almost every food named has increased its awareness from 2007, with milk being the only product that is down on its result from last year. However, if we look at the results over the five year period Welsh milk has increased significantly in terms of its awareness with consumers.

Welsh lamb has remained the 'most spontaneously named food' over the five year period with its 2008 figure being 15% ahead of the second most named product. With an increase n farmers markets and supermarkets opting to stock local produce consumers are becoming a customised to seeing Welsh meat.

We see that the category of 'other' has increased by 9% since 2003 indicating that there is an increasing awareness of a greater variety of Welsh foods.

Which Welsh Drinks Spontaneously Come To Mind (%'s)

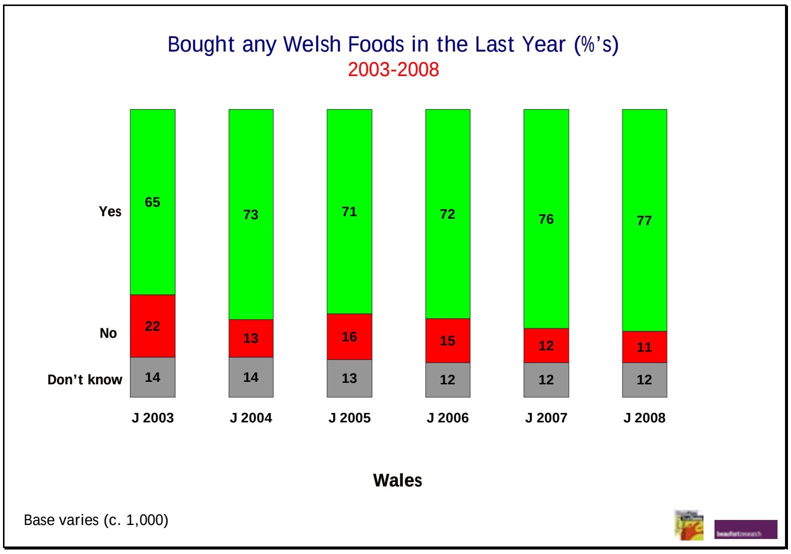
Rank		J 2004	J 2005	J 2006	J 2007	J 2008
1	SA Brain (any)	17	20	21	27	27
2	Brecon Carreg Water	22	27	24	27	27
3	Welsh Milk	13	15	18	31	26
4	Welsh Whisky	16	16	18	18	22
5	Other Welsh Water	18	14	14	17	17
6	Ty Nant Water	11	13	10	8	10
7	Welsh Wines (any)	6	9	7	7	9
8	Merlin Liquor	1	1	1	2	3
9	Beer (unspecified)	2	2	3	3	3
10	Welsh gin/vodka/brandy/liqueur	-	-	-	1	3
11	Felinfoel Beer	1	1	2	2	2
12	Other	5	3	5	4	5

Question not asked in 2003 and 2004

Base varies (c. 1,000)

Unlike Welsh foods, Welsh drinks that spontaneously come to mind are branded as opposed to generic products. SA Brain and Brecon Carreg Water are the most commonly named Welsh drinks, both having maintained their percentages from 2007. Both products have immense consumer exposure and availability- Brains sponsoring the Welsh National Rugby Team and Brecon Carreg Water can be seen in all supermarkets across Wales (and the rest of the UK).

As already seen with the 'spontaneously named food' results Welsh milk is down on its results from last year (it had the highest percentage in 2007). Welsh Whisky has increased its awareness this year after remaining static for the previous two years. Overall Welsh water (both generic and branded) seems to be what the majority of people associate with Welsh drink. We can see out of 12 categories water comes up 3 times in the top 6.



The percentage of consumers buying Welsh foods in the last year continues to steadily increase. The 2008 figure (77%) is the highest percentage seen over the five years the omnibus research has been carried out. Since 2003 the percentage of consumers buying Welsh produce has increased by 12%. We can attribute this growth to an increase in awareness of Welsh food as previous responses have demonstrated. We have also seen that consumers are more inclined to purchase food that is 'locally produced'.

In 2008 we see that only 11% of consumers stated they definitely did not purchase Welsh food, which is a relatively low figure. This leaves 12% of consumers that 'don't know' whether they have purchased Welsh food or not. It's reasonable to assume that since an increasing number of supermarkets and local shops are stocking more Welsh produce that of this 12% that 'don't know' some of these purchases could be of Welsh foods.

Which Welsh Foods Bought (%s)

Base: All those who have bought Welsh food products in last year

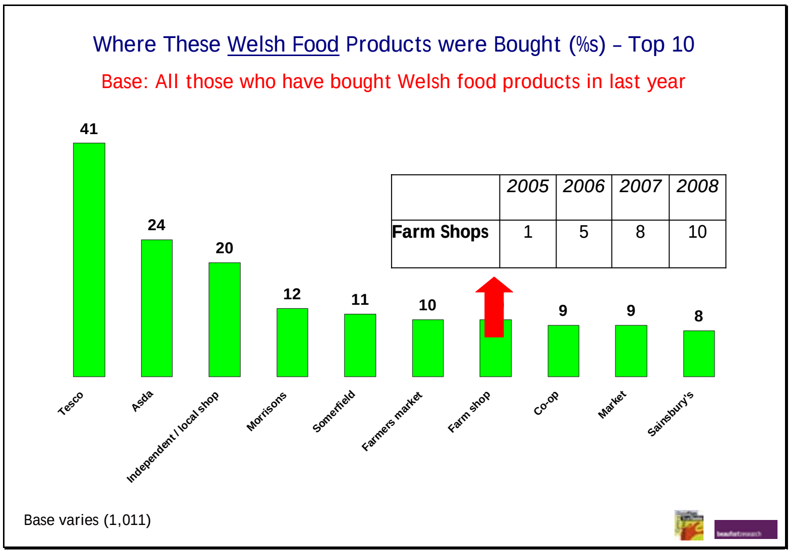
Rank		J 2003	J 2004	J 2005	J 2006	J 2007	J 2008
1	**Welsh Lamb**	59	60	60	60	53	54
2	**Milk**	6	37	46	45	50	47
3	**Welsh Beef**	36	40	40	39	42	41
4	**Eggs**	3	29	31	32	31	38
5	**Potatoes**	3	28	34	30	32	32
6	**Vegetables**	5	23	26	28	30	31
7	**Other Welsh cheese**	30	33	33	33	28	31
8	**Butter**	8	31	31	26	23	30
9	**Welsh Cakes**	2	23	15	20	19	19
10	**Caerphilly cheese**	21	20	21	17	10	10
11	**Laver bread**	5	6	7	8	5	6
12	**Rachel's Dairy yoghurt**	5	5	5	6	5	6
	Other	21	19	23	21	22	23

Base varies (c. 750)

It is not surprising that the Welsh foods most spontaneously named are the same as those consumers are claiming to purchase. Welsh meat continues to dominate, though whereas beef is maintaining its sales, it appears that consumers are purchasing less lamb than they have in previous years.

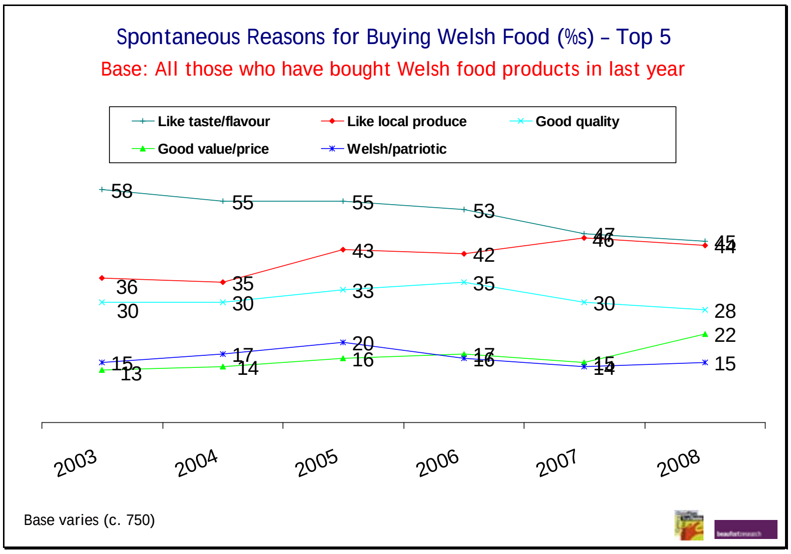
Notable changes are those in the dairy category. We can see that both Welsh eggs and butter have experienced growth in the last year (both are up by 7% on their 2007 figure). This could be a result of an increase in availability of eggs (particularly free range) and butter but also packaging has improved and it is now easier for the consumer to identify that they are purchasing 'Welsh' dairy products.

However, what is unusual is the high percentage of consumers that state they purchase Welsh eggs yet few consumers that stated eggs came to mind as a Welsh product.



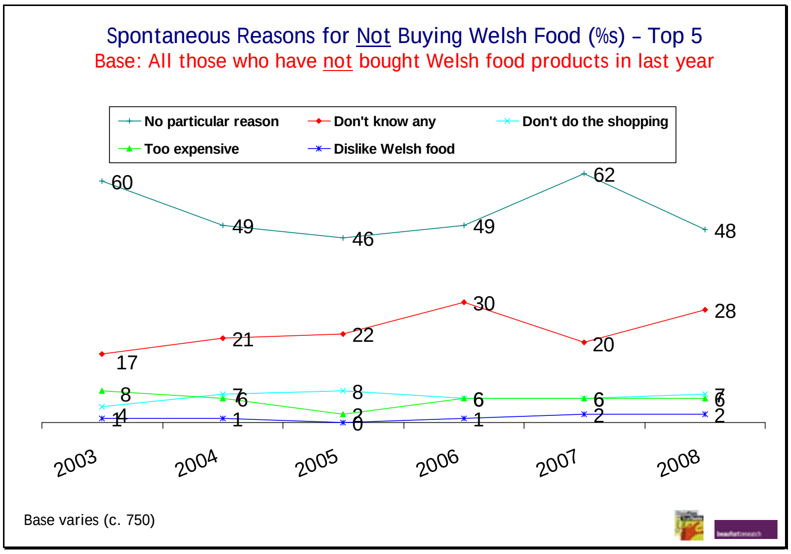
Consumers appear to be buying Welsh products from the large supermarkets, in particular Tesco and Asda. Large retailers have responded to consumers growing interest in food provenance and desire to buy locally sourced produce

It is worth acknowledging the growth in farm shops, with more consumers stating this is where they buy Welsh food (over the last three years there has been a 9% increase). This reflects general market research that there is a revival of farmers markets and farm shops as consumers become more interested in food production and the importance of supporting rural economies.

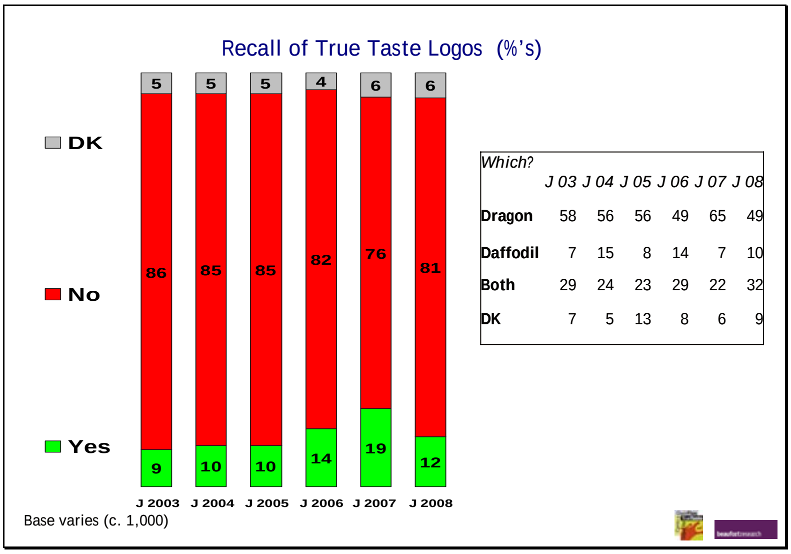


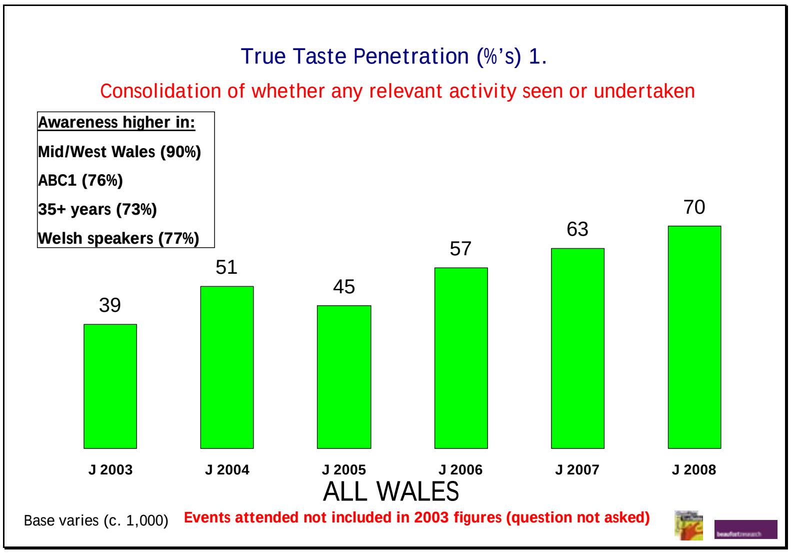
The results here reflect the current economic situation and general consumer purchasing trends. The 2008 results show consumers are gradually becoming more concerned with value for money and taste is becoming less of a priority when purchasing food- 'Good Value/Price' was up by 7% from last year. In comparison 'Taste/Flavour' and 'Good Quality' were both down on their 2007 results. If we look back at question 1 'Motivation for Food Purchase' we can see that 'price' was rated as the most important factor.

Despite dropping slightly this year 'locally produced' food is clearly influencing consumers purchasing habits more and more with there being an 8% increase since 2003. This is supported by the increase of consumers stating they buy Welsh food to be patriotic.



It would appear that a lack of awareness is the main reason some consumers do not purchase Welsh food. If we look back at question 1 'Motivation for Food Purchase' taste and price were rated as the two most important factors, however, price and taste have a very low percentage here. We can therefore assume that there is not a problem with the perceived quality or value of Welsh produce. This can be substantiated by the fact that 28% of consumers actually claimed it was a lack of awareness and 48% could not give a particular reason.





The 2008 figure shows that only 12% of consumers could recall either of the two True Taste logos. This figure seems low, however, there is limited exposure of this logo. It can be seen on the Wales the True Taste website, in FMDD publications and occasionally at farmers markets. True Taste award winners can display the daffodil logo on their products, however, the dragon logo cannot be used.

There continues to be a gradual increase in terms of True Taste penetration with there being a 31% increase since 2003. We can attribute this to an increase in awareness of Welsh related promotions such as Royal Welsh Show, food festivals and also media/press coverage.