

## **Rural Development Sub-Committee - Additional Information**

(as requested by the sub-committee on 20th January 2011)

Most of the work carried out by the Welsh Assembly Government (WAG) does not target the dairy sector specifically but provides a service to the wider food and drink industry as a whole. However the WAG are involved with the current study being undertaken to map out the dairy processing sector in Wales and to better understand the flow of Welsh milk. Promar are undertaking the research on behalf of DairyCo and the study is part of the Dairy Supply Chain project (which is funded through the RDP). The study results will provide an up-to-date picture of the dairy processing sector in Wales which will possibly enable WAG and others to provide a more targeted approach to help supply Welsh Milk.

Following on from this study another one will be commissioned looking at consumer attitudes towards Welsh dairy products and opportunities in the retail sector. Both of these studies will be repeated in 2 years time if they are deemed useful.

Please find below a number of other activities which are being delivered through the Welsh Assembly Government.

- Public sector specific meet-the-buyer events are being undertaken as mentioned at the meeting. Two were recently held in North and South Wales, which were well attended by both suppliers and buyers.
- The WAG operates a number of programmes to support the dairy industry (as with all sectors) with new product development; from the early stages of product development through to dealing with multiple retailers and managing accounts with retailers. In effect, it offer a full range of services which allows producers to take product and business ideas from their early stages through to production and sales.
- The Welsh Assembly Government's own contractor, Eurest, has increased the number of Welsh Products from 5 suppliers and 16 products at contract commencement to 63 suppliers and 233 products at the current date.
- Looking forward, and with reference to the recent publicity with regards to the Olympics, WAG are working on a number of activities at this year's IFE event in London including opportunities for the companies on the Welsh stand to pitch to the Olympic buying team and also for dairy companies to meet UK and international buyers.
- In terms of the Local Sourcing Action Plan, 100% of the actions are underway and a large percentage complete. The Minister will provide a full update on the Local Sourcing Action Plan shortly which will detail the work we have undertaken in support of the sector.
- The Processing and Marketing Grant has supported, to date, 17 dairy companies with £5m worth of grant as part of a total investment in the sector of £15.9m
- The RDP has also been instrumental in funding a Dairy Supply Chain project, which is jointly delivered by DairyCo and the Dairy Development Centre, worth £3.3m. This project was approved in March 2010 and all activities are well under way.