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Food branding

1. Welsh Government strategy:
 - Activity to promote Welsh food products within the UK and internationally
 - Activity to support Welsh food producers to develop their branding

The Welsh Government plays an integral role in the development of the food and drink industry in Wales, as seen in the 2014-2020 Action plan. The development of Food and Drink Wales/Bwyd a Diod Cymru has been positive in helping to shape the identity of Welsh food, which has been seen at trade events in the UK and internationally. Through conversations with food producers, the feedback on the role of the Welsh Government in supporting producers is extremely positive, particularly in providing opportunities for producers to attend trade shows, but also in the way in which the Welsh food stands are presented, with the Food and Drink Wales/Bwyd a Diod Cymru branding clearly visible across the stand. Provenance is a significant part of food promotion and the Welsh identity of food is considered an important differentiating factor due to Wales' food heritage and increasing reputation for producing foods of high quality. The Welsh brand therefore plays a vital role in ensuring that the message of Welsh provenance is conveyed to consumers, and the visibility of the Welsh brand at domestic and international trade shows enhances the opportunities for buyers and consumers to engage with the Welsh brand. The imagery used in the Food and Drink Wales/Bwyd a Diod Cymru branding is consistent with branding across other industries, such as Tourism, which is necessary in providing a coherent message across Brand Wales. This could be enhanced to cover cultural and sporting industries, where Wales also has a strong reputation internationally. As an iconic symbol, the red dragon rightly plays a prominent role in this, however the visibility of this brand could be expanded by being placed on products. The 2017 Value of Welshness study indicated that 85% of shoppers considered Welsh produce to be of great quality, with 78% showing a preference for buying Welsh produce. This implies that there is an increasing recognition of quality among Welsh food products, therefore it is necessary to build on this success.

It is necessary that the principles of the Food and Drink Wales/Bwyd a Diod Cymru identity apply to all Welsh food and drink businesses, regardless of size and experience, to ensure consistency across the industry. Many food and drink companies are SMEs, particularly micro enterprises, therefore consistency is important for these businesses. The emphasis of the Welsh language also provides advantages to Welsh food companies as part of their identity. This was expressed in the 2014 Welsh Language Commissioner's report, where respondents pointed to the Welsh language as an important element in the company branding, providing a unique narrative for the products.

2. UK Government activity to promote Welsh food products internationally

Speaking with a number of Welsh food and drink SMEs, it is evident that the majority of Welsh food producers look more to the Welsh Government for support in promoting their products internationally. Although support is available on a UK level, the Welsh Government is seen as the main driver in promoting Welsh food products. This is seen through encouraging companies to attend international trade shows and providing funding for these trips. The majority of Welsh food companies take a more reactive approach to internationalisation, as this tends to occur through approaches from the Welsh Government to attend events, rather than companies themselves seeking to develop international opportunities. Since the strategies for the Welsh food and drink industry are developed by the Welsh Government, companies are more likely to be influenced by the Welsh Government in international promotion than the UK Government.

3. The value of branding food as local, Welsh, British or otherwise

There has been some debate in recent months over the branding of food as Welsh or British, however, as the strategies for the Welsh food and drink industry are developed and monitored in Wales, the use of Welsh branding would ensure consistency is achieved across the industry. The use of both Welsh and British branding could cause confusion among consumers and this would not achieve a clear message. The progress seen in the development of the Welsh food and drink industry through the 2014-2020 Action Plan has seen a considerable increase in the reputation of Welsh food and drink products, especially through the growing number of Protected Food Names, and awareness of Welsh food in general. The strategy for the development of the Welsh food and drink industry should be to build on this by enhancing the strength of the Welsh brand rather than creating confusion. It appears that Brexit has had a negative impact on the reputation of the UK in many countries, particularly in Europe, which is the biggest export market for Welsh food. The recent report by the Agricultural and Horticultural Development Board (AHDB) showed that a considerably more negative perception of British food was seen in Canada, France, Germany, Japan and the USA. As such, branding foods as Welsh would be more advantageous to build on the recent developments of the Welsh brand. This would be logical as the strategy for the Welsh food industry is developed and managed in Wales.

The development of an established Welsh brand, based on the red dragon logo of Food and Drink Wales/Bwyd a Diod Cymru, similar to ways in which brands are used in places such as Brittany, the Basque Country and New Zealand, could provide further advantages to the Welsh food and drink industry. These places have established a recognised provenance brand which has seen advantages both in the domestic market and internationally. The inclusion of such a brand on products helps to increase awareness of the identity of the brand and its provenance. Within the domestic market this is seen in increasing awareness of local products, such as in supermarkets, but in international markets this increases consumers' awareness of the provenance of the product and associates it with the reputation of the place of origin. Statistics on the *Produit en Bretagne* ('Made in Brittany') brand show that over 5500 products and 420 companies are represented by the brand, with brand recognition at 97% in Brittany and preference for purchasing Breton products at 74% in other parts of France. The Breton model could be a suitable approach for a possible future Welsh brand, as the cultural

values in Brittany are similar to those in Wales, and the brand is managed by an independent association that aims to promote Breton food, cultural products and the language.

Ultimately, companies can decide how they brand their products, whether they favour Welsh, British or another means of branding. Some companies favour the use of cultural branding or provenance markers, while others prefer not to use these. This depends on the type of product and the identity of the company. Companies that possess a protected food name would include this logo on the labelling of their product, and may not see the benefits of having an additional Welsh logo. However, the company would be able to decide whether or not to include such a logo, if this were available. A 2001 academic study by Kneafsey, Ilbery and Jenkins showed that demand existed at that time for a Welsh provenance brand among some Welsh food producers. The development of the industry since that time, particularly in the growing reputation for Welsh food, suggests that a Welsh provenance brand could be beneficial to the promotion of Welsh food products. If companies were able to use a defined national Welsh brand, they would benefit from the strength and brand identity of this brand, which could enhance sales both domestically and internationally.

4. The value of Protected Food Names (Geographical Indicators), including the UK Government's proposals for a new post-Brexit UK scheme

Geographical indicators are an essential part of the quality and reputation of a place for food. The growth in protected food names in Wales in recent years is a clear indication of the quality of Welsh products and this has enhanced Wales' reputation for food internationally. The EU scheme of protected food names is recognised worldwide as both a marker of quality and a clear indication of provenance. The increase in the number of protected food names in Wales has been part of the strategy to grow the food and drink industry, therefore the increase to 16 protected food names can be considered a success. Indeed, Wales is a leading part of the UK in terms of geographical indications. It is hoped that this growth can be maintained and developed in the coming years, as there are other applications in progress. Brexit does put the future of geographical indications into question, however, it is clear that maintaining the existing EU scheme is vital in ensuring that the recent successes in the Welsh food and drink industry are upheld. Losing Welsh protected food names could potentially affect Wales' reputation for food in international markets, which could in turn impact on exports. Given that protected food names exist in non-EU countries, such as Colombian Coffee, albeit under an agreement with the EU, there is no need for Wales to lose its EU protected food names, however this is dependent on the manner of the UK departure from the EU. It has been proposed that the UK would develop its own system of geographical indication following Brexit, however it is evident that a new UK system would not have the same strength as the existing system, as recognition of this system would take a considerable amount of time to develop and the reputation of the system would not be as strong as the existing EU scheme. The UK is not recognised as a place of food quality in the eyes of many countries, as shown by a recent report by the Agricultural and Horticultural Development Board (AHDB), therefore a UK system would not bring the benefits to the reputation of Welsh foods as the EU system.

5. The value of food branding in the tourism and hospitality sector

Food and tourism have a natural connection, as they are both an expression of place. Food can be considered as a significant part of Welsh identity and therefore offers an important distinctive feature that could be cultivated for tourism. The message of Welsh food is about the connection between food and the places that it comes from. This includes the distinctive features of place seen in the terroir – the unique characteristics of foods derived from the soil, topography, climate and heritage of a particular place, as well as the people whom are behind the production of many Welsh foods. As such, the branding of food can play a significant role in enhancing the tourism and hospitality sector. The use of imagery in the Food and Drink Wales/Bwyd a Diod Cymru identity is in line with that of Visit Wales, which is an important step in ensuring that Wales displays a consistent message to the outside. The connection between food and tourism in Wales can bring mutual benefits, as an increase in tourism can bring visitors to Wales who can discover the food, while food can also be used as a unique aspect of marketing Wales around the world. Consequently, the need for the two sectors to work together is of considerable importance. According to the Welsh Food Producers Survey of 2013, less than half of respondents were involved in supplying the tourism sector. Through collaboration there is scope for a unique Welsh offering to be provided in the tourism sector in Wales, with Welsh food at the heart of this, such as including Welsh food products on restaurant menus or offerings in hotel rooms, e.g. Welsh biscuits or teas. Food producers could also engage with tourists through opening visitor centres or a shop at their production sites. This is common in Brittany, with some respondents to my recent research pointing to international visitors purchasing products at their visitor centre as being a catalyst to internationalisation. There are a number of excellent food events in Wales throughout the year, from local farmers' markets to food festivals, such as the Cardigan Bay Seafood Festival. These events are significant ways in expressing the values of Welsh food, highlighting the local traditions and allowing for consumers to engage with the producers. This represents an important part of the Welsh offering to tourists, as a way in which they can discover more about Welsh heritage. Such events should therefore be an integral part of the tourism offering of Wales.

Despite these opportunities, it was disappointing to see that the 2018 Year of the Sea theme by Visit Wales had little emphasis on food and drink. The main marketing campaign contained little reference to Welsh seafood, and this was a missed opportunity in championing excellent Welsh seafood, most of which is exported. The consistency in the branding of Welsh food and Visit Wales is a positive step and this brings opportunities for more collaboration between the bodies responsible for these industries to work together to enhance Wales' message to the world. This should be achievable as they are both managed through the Welsh Government. Promoting Wales through tourism is a positive way to increase awareness of Wales and its food, therefore it would be necessary to see the development of a strategy for food tourism in Wales. This could be based on food trails, farmers' markets, food festivals, the Royal Welsh Show and other key food events. Additionally, the numerous protected food names offer another unique opportunity to link food and tourism, as this connects foods with their specific places of origin, expressing the uniqueness of these places. With this marketed under consistent branding, the benefits of this could be seen in both industries. The enhancement of branding across other cultural industries could also develop this, particularly in music, the arts and sport, where Wales also has a strong reputation worldwide. This could also be

combined with efforts to engage with the Welsh diaspora, as seen in the Global Welsh community, as Welsh expatriates could be seen as key assets in international markets and ambassadors that could promote the values of Welsh food, as well as other cultural sectors, in international markets. This is seen in Ireland, a country at the forefront of business development through its diaspora, which is estimated at 70 million people, compared to a domestic population of 4.5 million.

Food processing

6. Welsh Government strategy and support for food processors

The 2014-2020 Action Plan covers a range of issues relating to food production processes in the Welsh food supply chain. This includes education, skills and training, innovation, business development and food security and safety. As Welsh food places a strong emphasis on quality and high standards, there is a need to maintain this across all aspects of the supply chain. This involves ensuring that all aspects of food production in Wales meet the required standards as expected by the Welsh Government strategy. A reduction in standards could have a negative impact on the quality of the product offering and would also impact on the reputation of Welsh food. The strategy also recognises the need to align to the Wellbeing of Future Generations Act 2015, as all aspects of this act can be associated with the development of the Welsh food and drink industry. The Welsh Government strategy recognises the need for a commitment to training and development of the workforce, which is significant considering the possible impact of Brexit on the industry. The commitment to the Welsh language is also an important aspect of the strategy, as many workers in the Welsh food and drink industry use Welsh at work, and the Welsh language is a key aspect of the Welsh food and drink identity, as seen in the 2014 Welsh Language Commissioner's report. The focus on food security and safety is another significant aspect of the strategy as this underpins the standards of Welsh food, which is an integral part of the quality offering of Welsh food and how it is marketed. The 2014-2020 Action Plan pointed to a number of initiatives for developing food production and processing in Wales, such as the services of food centres, however, the 2013 Welsh Food Producers Survey showed that only a third of respondents were using these facilities. Therefore, more awareness is needed in highlighting the support that is available to food producers in Wales.

7. Trends in processing capacity in Wales and how Brexit might affect this

Brexit has brought uncertainty to the food and drink industry, with many question marks over the future operations of the Welsh food and drink industry. This is particularly evident in access to European markets after Brexit, access to ingredients and products from abroad, access to the EU labour force and a possible increase in prices. Access to the EU labour force is of great concern to processors within the industry, particularly with many EU nationals working in processing roles. The 2017 Value of Welsh Food and Drink Mid-term Executive Report pointed to a skills gap in the industry, with the need for approximately 19,000 trainees in the supply chain by 2022, particularly food technical and engineering skills. With a possible reduction in the number of migrant workers employed in the Welsh food and drink industry, this could lead to an increased skills gap. As a result, the strategy should place more emphasis on encouraging more people to work in roles across the Welsh food and drink industry. The

potential increase in the costs of ingredients and products used in the production of food in Wales could also impact on Welsh producers' abilities to produce their products. There is a risk that, should companies need to seek ingredients from other sources, the standard of food produced could be compromised. Since many businesses are small in size, support would be necessary in helping businesses to overcome these challenges. Given the uncertainties in the industry due to Brexit, a more flexible strategy is needed to account for a range of possibilities depending on the way in which Britain leaves the European Union.