



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Yr Is-bwyllgor Datblygu Gwledig
The Rural Development Sub-committee**

**Dydd Mercher, 6 Mai 2009
Wednesday, 6 May 2009**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mick Bates	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Davies	Llafur (Cadeirydd yr Is-bwyllgor) Labour (Sub-committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol
Others in attendance

Tony Burgess	Wyau Llwynbedw Birchgrove Eggs
David Clarke	Safonau Sicrwydd Bwyd Assured Food Standards
Ieuan Edwards	Edwards o Gonwy Edwards of Conwy
Claire George	Cyngor Sir Penfro Pembrokeshire County Council
Gwyn Howells	Hybu Cig Cymru Meat Promotion Wales
Bethan Jones	Menter a Busnes Menter a Busnes
David Lloyd	Grŵp Pecynnu ac Arloesi—y Ganolfan Diwydiant Bwyd Packaging Innovation Group—the Food Industry Centre
Phil Morgan	Yr Asiantaeth Safonau Bwyd Food Standards Agency
Hilary Neathey	Yr Asiantaeth Safonau Bwyd Food Standards Agency
Hannah Pitt	Yr Ymddiriedolaeth Genedlaethol The National Trust

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Claire Morris	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.34 a.m.
The meeting began at 9.34 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Alun Davies:** Galwaf y cyfarfod i drefn. Diolch yn fawr am eich presenoldeb y bore yma, pan fyddwn yn parhau gyda'n ymchwiliad i fwyd yng Nghymru. Nid wyf wedi derbyn unrhyw ymddiheuriadau ar

Alun Davies: I call the meeting to order. Thank you for your attendance this morning, when we will be continuing with our inquiry into Welsh food. I have not received any apologies for this morning's meeting. Before

gyfer cyfarfod y bore yma. Cyn dechrau, gofynnaf i chi sicrhau bod eich holl ffonau symudol wedi eu diffodd, gan gynnwys BlackBerrys. Gwn pa mor anodd y gall hynny fod i rai pobl, ond byddwn yn ei werthfawrogi pe baech yn diffodd eich ffonau symudol yn llwyr. Mae croeso i chi ddefnyddio'r offer cyfieithu.

we begin, I ask you to ensure that all your mobile phones are switched off, which includes BlackBerrys. I know how difficult that can be for some people, but I would appreciate it if you were to switch your mobile phones off completely. You are welcome to use the simultaneous translation equipment.

9.35 a.m.

Ymchwiliad i Gynhyrchu a Hybu Bwyd Cymreig Inquiry into Production and Promotion of Welsh Food

[2] **Alun Davies:** Byddwn yn cymryd tystiolaeth fel rhan o'r ymchwiliad hwn, yn gyntaf wrth Bethan Jones a David Lloyd. Mae cyswllt fideo gennym y bore yma hefyd, felly croeso i chi draw yno, Mr Edwards, a gobeithio eich bod yn gallu ein clywed a dilyn yr hyn sydd yn digwydd yma. Os oes unrhyw broblem, rhowch wybod i ni a gwnawn ein gorau i sicrhau bod y dechnoleg yn gweithio. Croesawaf Bethan Jones, Ieuan Edwards a David Lloyd i'r cyfarfod. Gofynnaf i chi gyflwyno'ch hunain ar gyfer y cofnod, ac os oes gennych unrhyw sylwadau agoriadol, yr wyf yn eich gwahodd i'w gwneud yn awr, ac wedyn bydd gan aelodau'r pwyllgor gwestiynau ar eich cyfer. Gofynnaf i Bethan a David siarad yn gyntaf ac, wedi eu sylwadau agoriadol hwy yma yng Nghaerdydd, cawn eich cyfraniad chi, Mr Edwards.

Alun Davies: We will be taking evidence as part of this inquiry, first from Bethan Jones and David Lloyd. We also have a video link this morning, so I welcome you over there, Mr Edwards. I hope that you can hear us and follow what is happening here. If there are any problems, please let us know and we will do our best to ensure that the technology works. Therefore, I welcome Bethan Jones, Ieuan Edwards and David Lloyd to the meeting. I ask you to introduce yourselves for the record, and if you have any introductory remarks, I invite you to make them now, and then the committee members will ask you questions. Bethan and David will go first, and, following their opening remarks here in Cardiff, you can make your contribution, Mr Edwards.

[3] **Ms Jones:** Bore da. I am Bethan Jones, and I work with Menter a Busnes, which, as you know, is an economic development company. I am the project manager for a range of projects, working with small food producers, coming under the banner of the True Marketing project. We work closely with the trade development team in the food, fish and market development unit in the Assembly Government. We work with about 150 companies every year; they are small producers. There are about 1,500 producers on our database, and we have worked with about 30 per cent of them over the last five years. Those companies target every segment of the market, from independent stores through to the multiples and food service, across Wales. Their target varies with their size. The vast majority are small businesses.

[4] I want to make three points in my opening remarks. Marketing is misunderstood. It is fundamental to a business; it is not just about advertising, but about getting the product, price and people right and developing something unique about your business so that you can compete. Small firms find that difficult. Understanding the consumer and the customer is difficult—it is difficult for multinationals. On Government support, it is absolutely critical to grow the small and medium-sized sector. That is fundamental. Initiatives such as True Taste, the trade exhibitions that are carried out by the Assembly Government and so on really help to support small businesses.

[5] The second point that I want to make is how small the companies are. If we are to

realise the opportunities, we need to grow the sector. There are very few medium-sized companies—possibly some 20 per cent. We do not have enough companies of a big enough size to realise the opportunities in food service, so we need to do much more work on growing the industry. We have a fantastic opportunity.

[6] My third point is the big elephant in the room for the food industry, and that is distribution. A lot more work needs to be done to get companies to collaborate. There is a fantastic opportunity for the Assembly Government and its partners to get involved in that. We have done some work through the mentoring scheme, which I run in Wales. It helps to give people who have sold up or taken early retirement access to small firms, and they can advise them over time. Through that scheme, we have done some work on distribution, and it has been fantastic in putting companies together. Perhaps we can discuss that.

[7] The final remark that I would make is that there is a fantastic range of people and businesses in the food industry, and among the partners and support bodies. Food and drink is great for Wales's image. The food tourism strategy that was recently launched has marvellous potential.

[8] **Alun Davies:** Diolch yn fawr, Ms Jones. Yr ydym yn gwerthfawrogi hynny. **Alun Davies:** Thank you, Ms Jones. We appreciate that.

9.40 a.m.

[9] **Mr Lloyd:** Good morning. My name is David Lloyd and I am director of the Food Industry Centre based at the University of Wales Institute Cardiff. It is part of the Food Network Wales consortium of three food centres based across Wales; Horeb and Coleg Menai are the other two partners in that consortium. The key aims of our business are to work with food companies of all sizes from all along the food chain, helping with innovation, new product development and technical development of companies; included in that is marketing, packaging and rebranding.

[10] I mirror what Bethan said in her first three points, but I would also add a fourth point, and that is the difficulties faced by the Welsh food processing sector given the additional costs that are often not realised by people from outside the sector. Those are required by companies to maintain their legal status and their operations in relation to the costs incurred in the fabric and the development of the company technically to compete in a very aggressive market.

[11] **Alun Davies:** Mr Edwards, a hoffech wneud rhai sylwadau agoriadol? **Alun Davies:** Mr Edwards, would you like to make some opening comments?

[12] **Mr Edwards:** Diolch. Bore da, gyfeillion. **Mr Edwards:** Thank you. Good morning, friends.

[13] I believe that I have around three minutes in which to speak. My name is Ieuan Edwards and I own and help to run Edwards o Gonwy Ltd and the Traditional Welsh Sausage Company Ltd. Edwards o Gonwy Ltd is a retail butcher shop based in Conwy, which employs around 30 people. The Traditional Welsh Sausage Company Ltd is a sausage manufacturing business, also based in Conwy, which currently employs around 18 people.

[14] Without any doubt there are currently fantastic opportunities for Welsh food and drink companies, particularly within the retail sector. Sir Terry Leahy recently predicted that Tesco would be selling around £1 billion-worth of regional food in the UK in the near future. Asda has recently announced that it wants to double its not insignificant number of regional lines. Three out of four of the major retailers have asked us for more lines in the last fortnight

alone. It is not a case of us trying to offer and convince them to take on new lines—they are asking for them. What an opportunity. I urge the Assembly to support any initiative that involves retail sales from marketing to mentoring, because, currently, all doors are almost open.

[15] Brand development and marketing is also of great importance. Support is required. We must as an industry embrace a get-it-right-first-time approach to branding and retail packaging. I suggest to the Assembly that a more individual approach to branding is also needed. General workshops for a number of companies have their place, but individual scrutinising of a brand is, in my view, most important.

[16] The True Taste awards are a fantastic success story that both the industry and the Assembly can be proud of. I sincerely hope that support for these awards continues for many years to come.

[17] On product development, recipes are now moving towards what we call 'clean deck' or kitchen-cupboard ingredients. The food centres that we are so fortunate to have in Wales could be utilised to help companies to clean up their recipes and, in doing so, provide the consumer with a better and healthier product.

[18] On mentoring and consulting programmes, as a company, we have gained enormously over the years from bodies such as Levercliff Associates and True Marketing. I urge the Assembly to continue its support for such bodies as it is needed now more than ever in the current economic climate.

[19] Private consultants, however, need some guidance on fixing their rates, as some consultants, in my opinion, charge too much, which does not correctly reflect the current tough economic trading conditions. You should not underestimate the role of the general mentor to whom Bethan referred, who is at hand to advise on issues that appear from month to month. So please support this type of consultant.

[20] There are certainly challenges and they are often the usual bag, such as transport issues, which have been referred to, and pressures on margins, which David mentioned, due to add-on costs. Bureaucratic red tape is another challenge, but please do not get me going on that. Currently, funding in general from the banking sector is another issue. These are real issues that need tackling.

[21] Assembly Members should give themselves a pat on the back. The food and drink industry in Wales has received very good support from the Assembly over the years. However, I respectfully suggest that the real challenge will be to ensure that this level of support continues in the years to come. At the end of the day, we are a team, and, as an industry and an Assembly, together we can accomplish great things. Diolch yn fawr iawn i chi.

[22] **Alun Davies:** Diolch i chithau, Mr Edwards. Symudwn yn syth at gwestiynau. Daw'r cwestiwn cyntaf oddi wrth Brynle Williams.
Alun Davies: Thank you, Mr Edwards. We will now move straight to questions. The first question is from Brynle Williams.

[23] **Brynle Williams:** Bore da, Mr Edwards. Mae'n bechod ofnadwy na chawsom eich sosejys chi yma yn frewast i'r pwyllgor y bore yma.
Brynle Williams: Good morning, Mr Edwards. It is a great shame that we did not get your sausages here for the committee's breakfast this morning.

[24] **Mr Edwards:** Mater o gludiant yw
Mr Edwards: That is a transport issue.

hynny. [*Chwerthin.*]

[*Laughter.*]

[25] **Brynle Williams:** I direct this question to you both. What role do you play in working with smaller companies to market and promote their food products and their branding? What actual work are you involved in? As you pointed out earlier, we have many small companies in which only one or two people are employed, but they are really putting their product out there. Could you explain how your role fits into this?

[26] **Ms Jones:** We work with the food, fish and market development division on a range of services. I suppose that the first example would be the basic marketing workshops that we run, such as how to sell at farmers' markets, how to develop a brand, and how to market and promote yourself, all of which provide a good entry-level overview. People very often do not really understand those processes. We also offer one-to-one marketing advice. As we work with Bord Bia, the Irish Food Board, through the Ireland-Wales programme, we have developed a DVD and a workbook that interviews people like Ieuan, Patchwork, and a range of companies across Wales and Ireland that have broken through from being micro small to what we would call medium scale in the Welsh context.

[27] On our other services, there is a mentoring scheme, which provides one-to-one support over time, usually over 12 months, and companies such as Ieuan's would pay £2,000 towards the cost of that. The mentoring scheme in particular has been successful, because you are providing expertise, a sounding board, and a non-executive director role.

[28] On our other work, we have done some work on exhibitions, working with the trade development team, some focus group work, retail study tours, and things that help small companies to understand the needs of the customer. It is about trying to put companies in the shoes of the customer and the consumer as much as possible. Broadly, that is the range of services that we offer.

[29] **Mr Lloyd:** From my point of view, we have quite a broad remit as food centres, particularly the Food Industry Centre at UWIC where around £2 million-worth of salaried staff are working, who have food-related expertise. That expertise ranges from new product development—which is in constant demand by companies because it is a fast-moving industry; products drop off the shelves almost as quickly as they go on them—to marketing, and a great deal on re-branding, so that companies can look at their brand image. We have worked in the past with Design Wales and its food-related personnel. We are increasingly working independently with the packaging innovation group that we have, looking at branding, placing companies' products against those of competitors on the shelves, carrying out scientific sensory analyses, which is a more objective way of looking at a company's product, and developing product quality, given that it is the quality that will sell a product. We have also done some work on marketing, linking in with the business school, associated with the Food Industry Centre, as well as a lot of work on rebranding, looking at products and the extension of shelf life, and building in new packaging. So, it is a technical aspect to product development, incorporating into that rebranding and marketing.

9.50 a.m.

[30] **Brynle Williams:** The branding is extremely important. Are some of the smaller producers, perhaps those in my own industry, namely farmers, using people like you enough? I may be shot down for saying this, but some of us may be a little stuck in our ways. Branding sells a product. I have argued for years that, as a farmer, you need to get your product labelled and branded correctly.

[31] **Mr Lloyd:** One thing that I have seen done, which works quite well, is to look at every other product that you feel you are competing against in the market and then to place

your product where you think it stands in quality terms and then in branding and packaging terms. The two do not often go alongside each other.

[32] We are slightly different in that 55 per cent of food processors exist in the south east, and they are starting to use us more and more. The centre in Horeb, given where it is based, with the rural community and the level of farming in that area, probably gets more from the agricultural side of the food chain than we do. We are looking at this and marketing it. In conjunction with the Assembly Government, we have launched a knowledge exchange programme. We are looking to place graduates from anywhere in Britain or worldwide in food companies, food processing companies and on-farm processing plants, and they can draw down knowledge from the significant knowledge base in Food Network Wales into their companies. That has only just started but will go through a major launch at the end of the summer, I am guessing. That is one way forward. Successful global economies are based on knowledge exchange and transfer. So, there is almost a unique model there that is getting some interest from other parts of Europe to move that knowledge into the industry.

[33] **Ms Jones:** There are several pillars to marketing a company and branding is only one part of it. Some farm businesses develop fantastic brands, but there is a lot more to it than that, and it is important to convey that to new entrants to the market. People spend a lot of money in the early stages developing a brand when perhaps they need to find out where their market is first and then understand what their point of difference is.

[34] **Brynle Williams:** We have some successful young companies in north Wales. Ieuan's is one, and there are several in the dairy sector that have really hit the headlines. We have a lot of young companies, and the help that they get from you is essential.

[35] **Rhodri Glyn Thomas:** Hoffwn ofyn i Ieuan am yr hyn yr oedd Brynle yn ei ddweud am y cymorth a ddaw o Menter a Busnes a'r grŵp pecynnu ac arloesi yng Nghaerdydd. Sut mae hynny wedi helpu eich cwmni yn uniongyrchol? A fydddech wedi llwyddo yn yr hyn yr ydych yn ei wneud heb y cymorth a gawsoch gan y mentrau hynny?

Rhodri Glyn Thomas: I want to ask Ieuan about what Brynle was saying about the assistance that comes from Menter a Busnes and the packaging innovation group in Cardiff. How has that helped your company directly? Would you have succeeded in what you do without the assistance that you have received from those organisations?

[36] **Mr Edwards:** Yn sicr, mae'r help wedi bod o gymorth i'r busnes. Rhaid cofio mai siwrnai yw busnes. Yr ydych yn cychwyn yn weddol fach yn aml ac wedyn yn tyfu'r cwmni. Mae sgiliau sydd eu hangen ar hyd y ffordd, rhai ohonynt yn sgiliau arbenigol. Wrth reswm, rhaid cael help allanol weithiau er mwyn gweithredu'r hyn y mae angen ei wneud. Dyna sut mae cwmnïau fel Menter a Busnes yn medru dod i'r brig. Maent yn canfod y sgiliau nad ydynt ar gael o fewn eich cwmni chi ac yn eich helpu chi i'w cael. Yn sicr, yr ydym wedi cael cymorth mawr gan y Llywodraeth yn gyffredinol yn y maes hwn.

Mr Edwards: The assistance has certainly been a great help to us as a business. We must remember that a business is a journey. You often start quite small and then you grow the company. Certain skills will be needed along the way, some of them specialist. Naturally, you sometimes need external help to do what you need to do as a company. That is where companies such as Menter a Busnes can come to the fore. They can ascertain which skills your company does not have and help you to get them. We have certainly received a lot of help from the Government in general in this field.

[37] Ac ateb eich cwestiwn, yn sicr ni fyddem wedi llwyddo mor sydyn, ac mae hwnnw'n bwynt pwysig. Fel y dywedodd Bethan, mae llawer o gwmnïau bychain yng

To answer your question, we certainly would not have succeeded as quickly as we have, and that is an important point. As Bethan said, there are many small companies in

Nghymru, ac mae angen inni eu tyfu i'r lefel nesaf. Pan ydych yn gwmni bach, nid ydych eisiau i lawer o bethau fynd o'u lle, oherwydd byddai hynny'n gwneud i chi fethu. Os ydych wedi tyfu'r cwmni i lefel arbennig, pan fydd rhywbeth yn mynd o'i le, gallwch wrthsefyll y broblem yn aml. Mae hwnnw'n bwynt pwysig. Rhaid inni gael y gefnogaeth, ac yr ydym yn ei chael. Yr ydym yn ddiolchgar iawn ichi am y gefnogaeth honno. Gobeithiwn y bydd yn parhau o ystyried yr economi ar hyn o bryd.

[38] **Rhodri Glyn Thomas:** Hoffwn symud ymlaen a gofyn ambell gwestiwn ychwanegol. Mae'n dda gennyf glywed yr hyn a ddywedwch am gefnogaeth Llywodraeth y Cynulliad a chyrff megis Menter a Busnes. Beth yn ychwanegol y gallai'r Llywodraeth ei wneud i farchnata a hybu bwyd a diod yng Nghymru? A ydych yn meddwl mewn gwirionedd ein bod yn cymharu'n ffafriol â gwledydd fel Iwerddon a'r Alban, neu a oes pethau ychwanegol y gallem eu gwneud?

[39] **Mr Edwards:** Pe baech wedi gofyn y cwestiwn hwnnw imi bum mlynedd neu fwy yn ôl, buaswn wedi gorfod dweud, 'Na, nid ydym yn cymharu'n ffafriol'. Fodd bynnag, bu gweddnewid yn ein diwydiant ac yn y ddelwedd yr ydym yn ei phortreadu o'n cynnyrch yma yng Nghymru a ledled y byd. Yr ydym wedi symud ymlaen yn sicr, ond mae lle i wella. Mae hynny'n sicr. Fodd bynnag, yr ydym bellach gyda'r goreuon mewn sawl ffordd. Mae pobl a gwledydd eraill yn edrych i fyny atom ac yn cymryd sylw, ac mae hynny'n llinyn mesur. Gwnaed llawer o waith caled. Mae'r tîm wedi gweithio'n galed iawn dros y bum mlynedd diwethaf i alluogi hyn i ddigwydd. Oes, mae mwy i'w wneud, ond mae delwedd ein cynnyrch bellach lawer iawn yn well nag ydoedd bum mlynedd yn ôl. Dywedaf eto fod angen parhau ar y siwrnai hon, gan godi'r bar yn uwch eto a symud y diwydiant yn ei gyfanrwydd at y lefel nesaf.

[40] **Rhodri Glyn Thomas:** Mae'n ddi-ddorol iawn clywed hynny, a diolch am y dystiolaeth. Mae'r pwyllgor wedi derbyn dystiolaeth yn y gorffennol yn cwyno am y diffyg cysondeb ac eglurdeb ym mholisiau a strategaethau y Llywodraeth ar gyfer

Wales, and we need to grow them to the next level. When you are a small company, you do not want very many things to go wrong, because that would lead to failure. If you have grown the company to a certain level, when something does go wrong, you can often deal with the problem. That is an important point. We need assistance, and we do get it. We are very grateful to you for that assistance. We only hope that it will continue for the future given the current economic situation.

Rhodri Glyn Thomas: I want to move on and to ask a few additional questions. I am pleased to hear your comments on the support provided by the Assembly Government and by other bodies such as Menter a Busnes. What could the Government be doing in addition to that to promote and to market food and drink in Wales? Do you think that we compare favourably with countries such as Ireland and Scotland, or are there other things that we could be doing?

Mr Edwards: Had you asked me that question five years or more ago, I would have had to say, 'No, we do not compare favourably'. However, there has been a transformation in our industry and in the image that we portray of our products here in Wales and throughout the world. We have certainly progressed, but there is still room for improvement. That much is certain. However, we are now among the best in several ways. People and other countries now look up to us and take note of what we do, which is a yardstick in itself. A good deal of hard work has been done. The team has worked very hard over the past five years to enable that to happen. Yes, there is more to be done, but our products' image abroad is far better now than it was five years ago. I reiterate that we need to continue on this journey, raising the bar even higher, and moving the industry as a whole to the next level.

Rhodri Glyn Thomas: It is very interesting to hear that, and I thank you for the evidence. In the past, the committee has received evidence of complaints about the lack of consistency and clarity in the Government's policies and strategies for companies such as

cwmnïau fel eich un chi. O'ch tystiolaeth, ymddengys nad yw hynny'n wir. A oes rhywfaint o wirionedd yn y dystiolaeth o ddiffyg cysondeb ac eglurdeb?

[41] **Mr Edwards:** Y broblem sydd gennym yw'r wybodaeth sy'n mynd rhwng Llywodraeth y Cynulliad a busnes yn gyffredinol. Maent yn ddau wahanol faes, onid ydynt? Mae'n anodd i ni, fel diwydiant, ddeall eich problemau chi a'r hyn sy'n dod ger eich bron yn ddyddiol ac yn flynyddol, ac ar lefel Ewrop. Mae hefyd yn anodd i bobl y Senedd, sydd yn y byd gwleidyddol, sylweddoli problemau pobl sy'n rhedeg busnes. Mae'r problemau hynny yn newid yn ddyddiol weithiau. Dros y chwe mis diwethaf—a soniais am hyn yn gynharach—un o'r problemau mwyaf sydd gan fusnesau yw ariannu'r cwmni. Yn amlwg, gallai'r Llywodraeth helpu gyda hynny drwy roi pwysau ar y banciau i wneud i'r arian ddod drwodd yn fwy sydyn, ac ati. Mae'n gwestiwn cymhleth a chredaf fod pawb yn ceisio ei orau, ond mae llawer mwy o bethau y gallem eu gwneud i wella pethau.

10.00 a.m.

[42] **Rhodri Glyn Thomas:** A gaf ofyn cwestiwn? Ymddiheuraf, Gadeirydd, am ofyn cyfres o gwestiynau. Cyfeiriasoch at y problemau o ran ariannu cwmnïoedd a chyda'r banciau yn gyffredinol. Credaf y byddai'n gymorth i'r pwyllgor glywed beth yw'r problemau. Yr ydych yn amlwg yn gwmi llwyddiannus, ond yr ydych yn awgrymu eich bod chi, hyd yn oed, yn cael problemau gyda'r banciau. Os ydych chi, yn gwmi llwyddiannus, yn cael problemau gyda'r banciau, beth sy'n digwydd i gwmi oedd sy'n dioddef yn y wasgfa ariannol bresennol? Nid wyf am ofyn i chi ddatgelu sefyllfa ariannol bersonol y cwmni, ond a allwch roi syniad i ni o'r problemau ymarferol yr ydych yn eu cael gyda'r banciau ar hyn o bryd?

[43] **Mr Edwards:** Fel cwmni, yr ydym yn cynnal bore coffi y penwythnos nesaf.

[44] Yr ydym yn ffodus iawn bod gennym, fel cwmni, ddigon wrth gefn, ond yr ydym yn clywed am gwmiâu sy'n cael trafferth yn ariannu eu cwmnïau. Pan ddaw'r

yours. From your evidence, it would appear that that is not true. Is there any truth in the evidence that we have received of a lack of consistency and clarity?

Mr Edwards: The problem that we have is the information that passes between the Assembly Government and business in general. They are two different areas, are they not? It is difficult for us, as an industry, to understand your problems and what you have to face every day and every year, and at the European level. It is also difficult for people in the Senedd, in a political environment, to appreciate the problems of people who run business. Those problems change daily sometimes. Over the past six months—and I mentioned this earlier—a major problem that businesses face is financing the company. Clearly, the Government could assist with that by putting pressure on the banks to free up credit, and so on. It is a complex question and I believe that everyone is doing their best, but we could do a lot more to improve the situation.

Rhodri Glyn Thomas: May I ask a question? I apologise, Chair, for asking a series of questions. You referred to the problems with financing companies and with the banks in general. I believe that it would be helpful for the committee to hear what the problems are. You are obviously a successful company, but you are suggesting that even you are having problems with the banks. If you, as a successful company, are having problems with the banks, what is happening to companies that are suffering in the current economic recession? I am not asking you to disclose your company's specific economic position, but could you give us an idea of the practical difficulties that you are having with the banks at the moment?

Mr Edwards: As a company, we will be holding a coffee morning next weekend.

We are very fortunate that we, as a company, have enough in reserve, but we are hearing about companies that are having difficulties funding their companies. When the time

amser i drafod y benthyciad, mae'r banciau bellach yn codi'r raddfa llog llawer iawn yn uwch nag yr oeddent rhyw flwyddyn yn ôl. Er enghraifft, mae angen i ni ehangu fel cwmni; yr ydym am roi trosiant arall o £2 filiwn ar ein trosiant presennol dros y ddwy neu dair blynedd nesaf. Yr ydym hefyd wedi sefyll yn ôl a chwestiynu'r peth a cheisio gwneud i'r hyn sydd gennym ar hyn o bryd weithio'n galetach, ac yr ydym yn cwestiynu pob gwariant, ond mae hynny'n beth doeth i'w wneud mewn unrhyw gyfnod. Mae'r banciau yn nerfus ar hyn o bryd o ran ariannu unrhyw brosiect newydd. Mae hynny'n broblem. Mae'n rhaid rhoi ffeithiau cryf iawn ger eu bron bellach i gael arian newydd ganddynt. Bydd hynny, yn sicr, yn dal rhai busnesau yn ôl.

[45] **Alun Davies:** Mr Edwards, yr wyf am symud ymlaen at gwestiynau Mick Bates.

[46] **Rhodri Glyn Thomas:** Cyn eich bod yn gwneud hynny, Gadeirydd, a gaf awgrymu eich bod yn ysgrifennu at y Prif Weinidog a'r Dirprwy Brif Weinidog ynglŷn â'r dystiolaeth y mae Ieuan Edwards newydd ei rhoi i ni? Credaf fod y dystiolaeth honno yn eithriadol o bwysig. Nid oes rheswm yn y byd pam y mae banciau, ar hyn o bryd, yn gwasgu ar gwmnïau, gyda chyfraddau llog mor isel. Maent hyd yn oed yn gwasgu ar gwmnïau llwyddiannus fel cwmni Mr Edwards. Credaf y dylai'r dystiolaeth hon fynd yn uniongyrchol at y Prif Weinidog a'r Dirprwy Brif Weinidog.

[47] **Alun Davies:** Yr wyf yn cytuno gyda chi, Rhodri. Gofynnaf i'r clerc sicrhau bod cofnod o'r sesiwn hon ar gael. Ysgrifennaf, ar ran y pwyllgor, at y Prif Weinidog a'r Dirprwy Brif Weinidog ynglŷn â'r wybodaeth honno.

[48] **Brynle Williams:** Yr wyf yn cytuno gyda'r hyn mae Rhodri wedi ei ddweud.

[49] **Alun Davies:** Hoffwn symud ymlaen gan fod amser yn dechrau rhedeg allan. Cyn i mi symud ymlaen at gwestiynau Mick Bates, a oedd gennyh gwestiwn, Brynle?

[50] **Brynle Williams:** Yr ydych wedi tynnu sylw at yr archfarchnadoedd, Mr Edwards, a'u perthynas gyda chwmnïau

comes to review the loan, the banks increase the interest rate to a far higher rate than was the case a year ago. For example, we need to expand as a company; we want to add £2 million of additional turnover to our current turnover over the next two or three years. We have also taken a step back and questioned things and have tried to make what we have at the moment work harder, and we are questioning all expenditure, but that is a wise thing to do at any time. The banks are nervous at the moment about funding any new projects. That is a problem. You now have to provide them with a very strong case to receive any new money from them. That will certainly hold back some businesses.

Alun Davies: Mr Edwards, I would like to move on to Mick Bates's questions.

Rhodri Glyn Thomas: Before you do that, Chair, may I suggest that you write to the First Minister and the Deputy First Minister about the evidence that Ieuan Edwards has just given us? I believe that that evidence is incredibly important. There is no reason in the world why the banks should be putting pressure on companies at the moment, given that interest rates are so low. They are even putting pressure on successful companies, such as Mr Edwards's company. I believe that that evidence should go directly to the First Minister and the Deputy First Minister.

Alun Davies: I agree with you, Rhodri. I will ask the clerk to ensure that a record of this session is available. I will write, on behalf of the committee, to the First Minister and the Deputy First Minister regarding that information.

Brynle Williams: I agree with what Rhodri has said.

Alun Davies: I would like to move on as time is moving on. Before I move on to Mick Bates's questions, do you have a question, Brynle?

Brynle Williams: You have drawn attention to the supermarkets, Mr Edwards, and their relationship with small companies. They are

bach. Maent yn dechrau rhoi cyfleoedd—yr ydych wedi enwi dau ohonynt. A oes perygl y bydd rhai o'r cwmnïau hyn am weithio mewn partneriaeth â'r archfarchnadoedd ond y bydd yr archfarchnadoedd yn cymryd drosodd yn y pen draw? Hynny yw, yn eu gwasgu. Yr ydym wedi gweld hyn yn y diwydiant llaeth ac mae'r syniad wedi ei brofi, i raddau, yn y diwydiant cig. Deallwn mai'r archfarchnadoedd yw ein cwsmeriaid, ond mae'n rhaid iddynt sylweddoli bod angen i fusnesau bach gael elw i dyfu a rhoi'r cynnyrch ar y silffoedd.

[51] **Mr Edwards:** Mae hynny'n bwynt da iawn, Mr Williams. Mae'r archfarchnadoedd yn delio ychydig yn wahanol â chwmnïau bach ar hyn o bryd. Ni wn a fydd hynny'n parhau. Maent wedi sylweddoli bod eu cwsmeriaid, yn gyffredinol, wedi penderfynu eu bod eisiau prynu cynnyrch lleol, sy'n beth da i ni, wrth reswm. Maent yn sylweddoli, os ydynt yn gwasgu ar gwmnïau bach, byddant yn marw. Felly, ni fydd ganddynt y cynnyrch lleol hwnnw i roi ar eu silffoedd, ac maent yn gwybod hynny. Credaf fod gan Lywodraeth y Cynulliad ran yn hyn, o ran cynnal rhyw fath o drafodaethau monopoli yn gyffredinol gyda'r cwmnïau hyn fel eu bod yn sylweddoli bod Llywodraeth y Cynulliad yn edrych dros eu hysgwyddau ac y bydd yn ddigon cryf a dewr i ddechrau trafodaethau o'r fath os yw'r cwmnïau hyn yn camfihafio. Mae pwynt Mr Williams yn un pwysig iawn, gan fod rhaid inni fod yn deg mewn masnach.

[52] Y pwynt arall sy'n hynod bwysig mewn unrhyw fusnes yw'r llif arian. Mae'r archfarchnadoedd weithiau yn ceisio cael mwy o gredyd. Cawsom lythyr gan un archfarchnad yn datgan ei bod yn symud o 30 diwrnod i 60 diwrnod o ran tâl a dyna ddiwedd ar y mater; nid oedd modd trafod y peth. Mae sefyllfa oedd o'r fath yn gallu achosi problemau, yn enwedig i gwmnïau bach. Fodd bynnag, mae archfarchnadoedd eraill yr ydym yn delio â nhw yn hynod dda ac maent yn ein talu bob 21 diwrnod. Felly yr ydym yn anfon talebau atynt ddwywaith yr wythnos. Pwynt pwysig yw bod rhaid inni sicrhau nad yw'r problemau hyn yn codi, neu ni fydd y diwydiant yn ffynnu yng Nghymru. Felly, pob lwc i chi gyda hynny.

beginning to provide opportunities—and you mentioned two of them. Is there a danger that some of these companies will wish to work in partnership with the supermarkets but that the supermarkets will take over in the end? That is they will put pressure upon them. We have seen this happen in the dairy industry and the idea has been tried, to a certain extent, in the meat industry. We understand that they are our customers, but they have to realise that small businesses need profit to grow and to put the produce on the shelves.

Mr Edwards: That is a very good point, Mr Williams. Supermarkets are dealing slightly differently with small companies at the moment. I do not know whether that will last. They have realised that their customers, in general, have decided that they want to buy local produce, which is obviously a good thing for us. They realise that if they put pressure on small companies, they will die. Therefore, they will not have that local produce on their shelves and they know that. I think that the Assembly Government has a part to play in this by holding monopoly-style discussions generally with these large companies, so that they realise that the Assembly Government is looking over their shoulders and that it will be strong and brave enough to start such discussions if the companies misbehave. Mr Williams's point is a very important point, because we have to be fair in trade.

The other extremely important point for any business is cashflow. The supermarkets sometimes try to get more credit. We received a letter from a supermarket stating that it was moving from 30 days to 60 days in the payment and that was the end of the matter; there was no means of discussing it. Such situations can cause problems, particularly for smaller companies. However, other supermarkets that we deal with are excellent and pay us within 21 days. Therefore, we send them statements twice a week. An important point is that we must ensure that these problems do not occur, or the industry will not prosper in Wales. So, good luck with that.

[53] **Mick Bates:** Thank you for your evidence and answers so far. I will first turn to Bethan and David. It is encouraging to hear about the success of your work, but how do you evaluate it? What do you consider to be success by way of Government investment in promoting and marketing food?

[54] **Ms Jones:** For every service that is delivered, there is an exit survey—the companies tell us what they thought of the service and so on. We then try to set some parameters in measuring sales and jobs. For example, the mentoring scheme is measured over a longer-term period such as 12 months, but measurement is difficult. We are saying this year that mentoring with a small group of companies has helped to achieve £1 million in extra sales, but it is difficult to say that mentoring itself achieved that, because those companies are accessing a range of different services. However, we try to measure sales and job satisfaction. We must remember that these companies are paying for the service, so in developing commitment, they would not pay £2,000 if they were not getting value. So, measurement is very important, particularly with exhibitions and such things, because you cannot measure the impact of that after a few months; it takes up to two years to develop a concept.

[55] **Mr Lloyd:** Our expertise is very broad ranging, so it often manifests itself in jobs created and safeguarded and in increasing turnover. To give you an example of how broad ranging it is, we get some core funding, but not a great deal from the three centres, to do diagnostic work with food companies, which can include designing the premises, which is crucial from an efficiency and food safety point of view. If you want to supply retailers, they demand a food safety level and several accreditations to go with that. Given that 90 per cent of food companies in Wales are small to medium-sized and do not have that technical expertise, we do a great deal of factory design. On factory design, there have been many cases where our work can be tangibly measured in tens of thousands of pounds of probable reconstruction costs had we not designed the factory. So, we measure the impact that our type of expertise has, but we also measure new product development, products launched and the increased sales and jobs created.

[56] **Mick Bates:** Do you report that annually?

[57] **Mr Lloyd:** We supply information on the diagnostic side to the Assembly Government quarterly. However, the programmes that we are just launching now will, as Bethan said, be on exit reports—final reports—on the projects that we undertake with companies.

10.10 a.m.

[58] **Mick Bates:** Turning to Mr Edwards, it is easy for you to evaluate your business, because that is all on the bottom line. Earlier, Bethan made a point about distribution being a challenge and spoke about the possibility of companies working together to distribute food to large urban centres or wherever. Is that a real possibility, Mr Edwards, or is it just a pipe dream?

[59] **Mr Edwards:** You have got to explore transport issues continually, because they evolve and change. For example, transport between north and south Wales has always been a difficulty. I dare say that that is why I am up here on a video link and you guys are down there. We have got some solutions; we have made some progress here. We go to the hub depots—we travel west to east nightly. We go to the Manchester hub depots from Conwy; from there, we travel down to the Bristol hub depots and back into Wales again. That is the most cost-effective and efficient way currently available, but we are fortunate in that we have enough of a product range and that we deal with a number of supermarkets, which allows us to have a wagon on the road that we can fill almost daily.

[60] It is very difficult for these small producers that are breaking into that side of things. Some supermarkets allow product to be taken directly to the store, which is fantastic on a local basis, but other supermarkets categorically refuse that and insist that everything goes through their distribution hub centres, so it is a complex issue. Someone needs to seriously grab hold of this by the scruff of the neck and go over it with a fine-toothed comb, to see whether there are things that can be done to help smaller businesses to group their products for onward delivery to the supermarkets that do not allow direct-to-store delivery, for example.

[61] **Mick Bates:** Following up the point you made earlier about the banks in the recession, what other challenges are there for companies such as yours with regard to the promotion of Welsh food during the recession? Is it simply a threat, or does it provide some opportunities?

[62] **Mr Edwards:** Once again, it probably is a mixed bag. Yes, the banks are setting excessively above-base-rate requirements. Last year, you could have had a rate of 1.5 or 2 per cent above the base rate; the banks are now asking for anything from 2.5 to 6 per cent above the base rate. If 2.5 per cent was good enough for them last year, why is it not good enough for them this year? However, that is another story. Yes, there are opportunities, but the issue is running costs—the margin. I will give you a good example—and perhaps Mr Williams will bear me out on this. Currently, beef and sheep farmers—I am wearing my farmer's son's hat at the moment, which I am very proud to wear—are having a better time of it. However, as a manufacturer, my raw material costs have obviously increased significantly. So, we are both part of the same food sector, and the success of one has a direct impact on the success or otherwise of another sector within the industry. Issues such as that crop up from day to day and from season to season, so it is another complex issue

[63] **Mick Bates:** Bethan, tourism is a big factor. How do you link with the tourism industry to promote and market Welsh food?

[64] **Ms Jones:** A great deal of work has been going on in mid Wales, particularly over the past three years, through the Local Food Talks programme. That brings together the Visit Wales team, Tourism Partnership Mid Wales and the food, fish and market development division as well as the agri-food partnership. This year, four meet-the-producer events have been held. These involve inviting hoteliers and restaurateurs to meet the producers. Those events were held in Brecon, Aberystwyth, Dolgellau and Newtown. There was a great comment from a lady from a pub in Llanidloes who came to the Newtown event; she said that it was great to come to a food trade show and find that everything was not covered in breadcrumbs, as it is for the mass market. I spoke to representatives of hotel businesses in the Brecon area who had come to the event in Brecon and they said that they had no idea of the breadth and quality of produce available from local producers. So, I think that there is a lot of work to be done on building bridges between the two sectors. For a hotel or restaurant, changing your food supplier is like changing your bank account, but a lot of good work has been started. The food tourism strategy has just been launched and that highlights an action plan that we all have to get behind. In the south-west, the south-east and north Wales, similar plans are now being put in place. So, there is good work, but there is a lot more to be done.

[65] **Mick Bates:** Great. Is there any follow-up work with the customers? Tourists come in, and they like the food and like the product. In mid Wales, a lot of the tourists are from the west midlands; do you follow that up by promoting that product in the west midlands?

[66] **Ms Jones:** Yes, on the consumer-facing True Taste stands, the Blas stand, for example, is at the eisteddfod and the Hay festival. That helps to consolidate the image of quality Welsh food. At the Hay festival this year, the stand is going to showcase local producers from mid Wales. On the consumer-facing side of things, I think that we need to

have more consumer-facing information and tie that in with an events strategy. The Welsh stand was at Taste of London last summer, which was fantastic for brand promotion; you see all sorts of well heeled south-east consumers and you have an opportunity to promote Patchwork pâté and those sorts of products in that context. However, we need to do more on the consumer side.

[67] **Mick Bates:** I think that that is important. We sell our lamb through our co-operative. Very often, people in the midlands want it and they come to Welshpool to buy it. It is quite important to follow that up and I am pleased to hear that you have that in mind. So, you would target the west midlands, for example. You said that you went to London. Would you then target parts of the west midlands?

[68] **Ms Jones:** I think that the geographical strategy is absolutely fundamental: the Manchester, Birmingham and London conurbations. On our border areas, there is a lot that can be done on promoting food tourism and short breaks. May I just come back on the point about distribution?

[69] **Mick Bates:** Yes.

[70] **Ms Jones:** Transport is one part of distribution, but marketing is the other, to get companies to work with wholesalers who can really open up the market for them, because it is perhaps not worth their dealing with a customer at the moment. So, it is much more than just wheels and sheds; it is much more about marketing. That is a very important point.

[71] **Mr Lloyd:** May I also point out something that Ieuan touched on? The agri-food sector is a very broad sector, from farm diversification through to the largest ready-meal company in the world, in Newport. Single strategies often do not work; it has to be a complex strategy to encompass the four or five different levels within the food sector. On the retailer side, which some view as devils and some as angels, you often see food companies developing an idea for a recipe, which might be in a hospitality phase, into the first phase of production and the second phase of the growth of that company is often when it needs that retail environment for consistent volume to offset overheads. It is a very complex situation. Going back one more, if I may, to the difficulties of writing a food strategy from an Assembly Government point of view and linking in with the industry, the strategy for all industrial partners that we have ever visited is to be profitable and in existence next year. The strategy from the Assembly Government is often to cross-cut themes, to build health, nutrition and various things into it, but, from a private sector point of view, it is about survival, and it is a very difficult gap to bridge. We are going through it at the moment. I sit on the agri-food advisory board and that is one of the key discussions at the moment, how we can write a strategy that bridges that gap so that it means something to everyone.

[72] **Alun Davies:** Diolch yn fawr, Mr Lloyd, a diolch yn fawr i bawb ohonoch am eich cyfraniadau y bore yma. Yr wyf am ddod â'r sesiwn hon i ben. Ar ran y pwyllgor, hoffwn ddiolch i chi am yr amser yr ydych wedi ei dreulio gyda ni y bore yma. Bydd trawsgrifiad o'r sesiwn ar gael i chi ei weld cyn i'r fersiwn derfynol gael ei chyhoeddi. Bydd hwnnw gyda chi yn ystod yr wythnos nesaf. Diolch eto am roi o'ch amser i fod yn bresennol.

Alun Davies: Thank you very much, Mr Lloyd, and thank you to each of you for your contributions this morning. I would like to bring this session to a close. On behalf of the committee, I thank you for giving of your time this morning. A transcript of this session will be available for you to see before the final version is published. That should reach you some time next week. Thank you again for giving your time to be present.

10.20 a.m.

[73] Cyn i ni symud at yr eitem nesaf, cymernw egwyl fer. Gofynnaf i'r Aelodau ddod yn ôl yn brydlon ar gyfer yr eitem nesaf. Before we move on to the next item, we will take a short break. I ask Members to return promptly for the next item.

*Gohiriwyd y cyfarfod rhwng 10.20 a.m. a 10.27 a.m.
The meeting adjourned between 10.20 a.m. and 10.27 a.m.*

[74] **Alun Davies:** Dyma'r ail sesiwn ar gyfer ein hymchwiliad i gynhyrchu a hybu bwyd yng Nghymru heddiw. Hoffwn groesawu Hannah Pitt, Gwyn Howells a Claire George. Hoffwn ddechrau drwy ofyn i chi gyflwyno'ch hunain ar gyfer y Cofnod, a chyflwyno unrhyw sylwadau agoriadol am ryw ddwy funud yr un. Bydd cyfle gan Aelodau wedyn i ofyn cwestiynau i chi. **Alun Davies:** This is the second session for our inquiry into the production and promotion of food in Wales today. I welcome Hannah Pitt, Gwyn Howells and Claire George. I will begin by asking you to introduce yourself for the Record, and also to present any opening remarks for about two minutes each. Members will then have an opportunity to ask you questions.

[75] **Ms Pitt:** I am Hannah Pitt, and I am the external affairs officer for National Trust Wales.

[76] **Mr Howells:** I am Gwyn Howells, chief executive of Hybu Cig Cymru—Meat Promotion Wales.

[77] **Ms George:** I am Claire George, business development officer of Pembrokeshire County Council.

[78] **Alun Davies:** Diolch yn fawr. A oes gennych unrhyw sylwadau agoriadol? **Alun Davies:** Thank you. Do you have any opening remarks?

[79] **Ms Pitt:** Yes, I have a few points. First, the National Trust is involved in almost every stage of the food system—everything from growing and farming to eating and cooking at the other end. We have not always been very good at making the most of this and celebrating the food with which we are involved, but we increasingly realise how important it is to the places that we look after and their history.

[80] There are two things that we are particularly focused on at the moment. The first aspect is our catering operation, and the tearooms, restaurants and shops that we run, and making sure that those outlets sell the best quality sustainable local food, including directly linking the tenants on our land to those outlets so that they can sell produce through them. The second, very closely linked, aspect is celebrating food and encouraging the public to think more about the choices that they make and to buy more local and seasonal produce. So, we provide things such as events and information at properties, so that when people come for a day out, they start to realise that there are food stories out there and that there are decisions that they can make that can have an impact.

[81] One big reason why we are working more on food issues is that the food supply system has an incredible environmental impact—it influences the countryside and it has a huge effect on the way that society functions as a whole. Nineteen per cent of the UK's greenhouse gas emissions are attributable to the food system, which is a considerable chunk. If you can get the food system right, you will make a considerable impact on making the whole of society sustainable.

[82] One key thing that we see as the role of the Welsh Assembly Government is to make sure that sustainability is at the core of its work on food and so, particularly on the marketing

side, to ensure that sustainability is the groundwork, if you like, before going on to promote food.

10.30 a.m.

[83] **Mr Howells:** By way of introduction to Hybu Cig Cymru, I will give you some background about the organisation. HCC is responsible for the development, promotion and marketing of Welsh red meat, namely Welsh lamb, Welsh beef and Welsh pork. We aim to work with a wide range of sectors in the red meat supply chain, from the farmers, processors and meat cutters all the way along to the consumers. Our objective is simply to develop an industry that is sustainable and profitable for all our levy payers. We are funded in the main by the statutory levy that is raised on the three types of meat—lamb, beef and pork—which is paid in concert by farmers and the processors.

[84] **Ms George:** Thank you very much for inviting us this morning. Pembrokeshire County Council has recognised the importance of the food sector to our economic development for a long time. For the past 10 years, we have had a food team in place to offer support across the sector. We wanted to give some examples of the activity that takes place, including a trade directory for Pembrokeshire's food and drink producers, distributors and wholesalers to understand what is available locally and what they can take advantage of. To open up new markets, we have looked at the Pembrokeshire produce markets and set up an identification badge. That was brought about after some consumer feedback that people were keen to use local products, but they were not sure what they were or where to get them. We worked with Pembrokeshire County Council's public protection department and food officer to provide authentication and to ensure that the producers and hospitality outlets that use those products meet the required standard. We also have diversity in the growth of farm shops and the launch of Pembrokeshire Produce Direct, which is coming online shortly and will offer local delivery of local products to local people. We also do a lot of work with our procurement section, ranging from meet-the-buyer events to working in school catering, so, for about two years, we have had a dedicated person supporting schools in the procurement of local produce.

[85] We value the work of the Welsh Assembly Government, and previously the Welsh Development Agency, in supporting the national agenda and recognising the need for local supply. Pembrokeshire has hundreds of small suppliers, and so the economies of scale do not tie into national or Great Britain-wide marketing and promotion. It is very much about the Pembrokeshire brand being used in a local environment. Locally, we have to work with a lot of partners, such as those in the tourism sector—and the food tourism strategy is very much welcomed, because it is a key driver in our local area—the Pembrokeshire Coast National Park, the National Trust, the likes of PLANED, the Pembrokeshire local action network for enterprise and development, and the industry, all of whom drive our agenda, given that food is a cross-cutting theme, whether in education, procurement, the supply chain or for its wider economic development benefits.

[86] We want to raise various areas of market intelligence from the primary producer level. Market research on consumer needs and expectations could assist us to improve the product offer. We believe that the market is ahead of the product, so the market is well informed, given the recent and ongoing popularity of celebrity chefs. The understanding of the consumer is high, but the product is not necessarily keeping up with that. All our activity is very much consumer and customer focused, so it relies a lot on surveys and feedback to develop what we do. We have a number of high-profile events and activities that we work in partnership to promote, going back to food tourism and local provenance currently being well understood in the market. Our strategies are very much cross-cutting, as I mentioned before. They are about raising awareness locally, and also with our tourists, addressing the quality of provision to make sure that our producers are supported in the quality of the product, but also

in their business and in what they are doing. It is also about development and innovation, making sure that the likes of the Food Centre Wales, Design Wales and the Welsh Assembly Government's agri-food support are used to better develop their product.

[87] **Alun Davies:** Diolch yn fawr, Ms George. Gadawn bethau yno am y tro. Dychwelwn at rai materion yn ystod y cwestiynau. Hoffwn ofyn i Brynle Williams ddechrau. **Alun Davies:** Thank you, Ms George. We will leave things there for now, but we will return to some of those issues during questions. I ask Brynle Williams to start.

[88] **Brynle Williams:** In the current economic climate, what challenges exist for producers and suppliers who are marketing local and sustainable food?

[89] **Ms George:** The challenges are more opportunities in the current economic climate. Over the next 18 months, tourism is anticipated to be very strong locally, particularly in our area, because of the price of the pound relative to the euro. So, many of the tourism marketing activities support the destination. Equally, because of the work that has been done previously on getting local suppliers into local hospitality outlets, we hope that we will see a growth in the local markets.

[90] **Ms Pitt:** There is a mixed picture of what has been going on in the past few months. Some people were expecting huge drop-offs in demand for the quality end of the market, but research from the Soil Association and the Institute of Grocery Distribution shows that that is not necessarily the case. The market for organic produce in supermarkets has dropped off slightly but the bedrock of that business, which is farmers' markets and local shops, seems to be holding firm. There are all kinds of reasons why people buy food and it is not always about price. Hopefully, the longer term trends will continue. As Claire mentioned, tourism is a big opportunity for this year, and we are certainly focusing on it. As we expect people to holiday at home more this year, we want to make sure that we give them a really good experience, by ensuring that they can get the best possible things on the menu and in the shops, which will then encourage them to keep buying local and seasonal produce in the longer term.

[91] **Alun Davies:** A oes gennych rywbeth i'w ychwanegu, Mr Howells? **Alun Davies:** Do you have anything to add, Mr Howells?

[92] **Mr Howells:** I think that there are undoubtedly opportunities for niche and local producers to sell directly to the market. While that is important to develop, because from those developments greater businesses grow, we have to have a bit of perspective on the whole market. My sector is predominantly lamb and beef, which are dominated by the multiple retailers now, accounting for 82 and 87 per cent of the beef and lamb markets respectively. The food service sector in its entirety accounts for another 10 per cent, and then niche and local farmers' markets account for 3 and 5 per cent of beef and lamb. While they are important, we have to keep our perspective of the wider market for the products for which I am responsible in Wales.

[93] **Alun Davies:** Felly, sut y byddech yn ateb y cwestiwn? Beth yw'r her sy'n wynebu'r math hwnnw o gynhyrchwyr yn ystod y cyfnod economaidd anodd hwn? **Alun Davies:** Therefore, how would you answer the question? What is the challenge facing that kind of producer during this difficult economic time?

[94] **Mr Howells:** Yr her sy'n wynebu'r cynhyrchwyr yw cadw i gynhyrchu'r hyn y mae ar y farchnad ei angen. Mae digon o dystiolaeth o fewn y diwydiant i ddangos bod cynhyrchwyr yn ymateb i'r farchnad yn dda **Mr Howells:** The challenge facing producers is to continue to produce what the market demands. There is plenty of evidence within the industry to demonstrate that producers are responding very well to the market, that they

iawn, eu bod wedi gwneud hynny dros y blynyddoedd diwethaf hyn, a'u bod yn parhau i wneud hynny. Rhaid i'r diwydiant yng Nghymru fod yn flaengar; rhaid inni fod ar flaen y gad o safbwynt y cynnyrch a'r datblygiadau y gallwn eu gwneud o ran y cynnyrch hwnnw pan fydd wedi gadael clos y fferm. Mae marchnadoedd pwysig ar gael i ni, boed yng Nghymru, ym Mhrydain, neu dramor. Rhaid inni gofio bod ein ffocws ni, fel gwlad fach, o reidrwydd yn gorfod bod y tu hwnt i Glawdd Offa. Dim ond 5 y cant o holl gynnyrch cig eidion a chig oen y gallwn ei fwyta yng Nghymru. Dim ond 3 miliwn o bobl sydd gennym felly ni allwn ei fwyta i gyd ac mae 95 y cant o holl gynnyrch y wlad yn gorfod mynd allan o Gymru.

have done so over these past few years, and that they are continuing to do so. The industry in Wales needs to be innovative; we have to be in the vanguard when it comes to the produce and to the developments that we can make in relation to that produce once it leaves the farm gate. There are important markets out there, which are open to us to access, whether they are in Wales, in Britain, or abroad. We must bear in mind that, as a small nation, our focus must necessarily go beyond Offa's Dyke. Only 5 per cent of all the beef and lamb produced in Wales can be eaten within Wales. We only have 3 million people so we cannot eat it all. So, 95 per cent of our country's produce has to go outside Wales.

10.40 a.m.

[95] Yn Lloegr y mae'r farchnad fawr ar gyfer cig oen, a dyna lle mae 65 y cant o'n holl gynnyrch yn mynd. Mae un o bob tri o'n wŷn yn mynd dramor, i gyfandir Ewrop yn bennaf. Rhaid inni ganolbwyntio ar y ffaith bod gennym farchnadoedd pwysig mewn llawer o leoedd gwahanol. Mae'r ffaith bod gennym farchnadoedd yn Lloegr gyda'r manwerthwyr yn y sector arlwyyo, ac o fewn y farchnad dramor yn golygu bod y risg i'r diwydiant yn llai. Yr ydym yn ceisio mynediad i gynifer o farchnadoedd tramor mewn cynifer o leoedd gwahanol ag y gallwn er mwyn cael pris gwell i'n talwyr ardollau.

England is where the big market for lamb is, and 65 per cent of all our produce goes there. One in three of our lambs goes abroad, mainly to continental Europe. So, we have to focus on the fact that we have important markets in many different places. The fact that we have markets in England, with retailers in the catering sector, and within the foreign market means that there is less of a risk to the industry. We are trying to access as many foreign markets as we can in as many countries as possible so that we can get a better price for our levy payers.

[96] **Brynle Williams:** It has been stated many times that locally produced produce is too dear, but it is not. If you attend farmers' markets, you find that, invariably, a lot of the home-produced products are extremely competitively priced; it is just that the larger retailers are more convenient. So, how do we convey that message? We have the provenance of products, and they are being sold in the area. As you said, Gwyn, the meat industry has to export an awful lot. How can the Government here break that cultural view that locally produced produce is expensive when it is not expensive at all?

[97] Secondly, how do we go about educating the catering industry about the red meat industry, given that there is still an awful lot of meat with unclear provenance going into the catering industry? I am not sure whether that is going outside our brief, Chair. I put both those questions to the three of you.

[98] **Mr Howells:** Value is a combination of quality and price. We have to admit—and there is no shame in this—that we are competing on quality as opposed to price in Wales. Even during the economic crisis that we have faced over the past few months, the consumption of Welsh lamb and beef products has been very robust and has held its own well in the world market, particularly in the UK market. We have to position Welsh lamb and beef, with its protected geographical indication status, which is given by the EU, as premium products. People believe in provenance and quality and in the welfare of the animals whose

meat is produced under the Welsh brands, and they are willing to buy those products. Quality will always sell, as long as we pitch it correctly in the market. We need to shout about the fact that Welsh lamb is now recognised as the premier brand in the south of England, above the New Zealand and English brands—and that is not research carried out by HCC, I hasten to add. So, we have come a long way. Given that the awareness is there, we can sustain the demand for the product.

[99] You also touched on the catering sector, and a great deal needs to be done there. You can split the catering sector up into what we call the profit sector, namely the restaurants, cafes, pubs, bars, and the main hotels, and the cost sector, namely catering in hospitals, schools and unitary authorities. There is an onus on the public sector to buy local, fresh, quality products, but, in the profit sector, there is a dire need to change legislation on proper labelling. It needs to be transparent and it needs to give consumers a message that is honest and transparent. That is not happening at the moment and I think that we need to put more pressure on the EU to change the legislation on food labelling and to include it for lamb, beef and pork. The sector is void of any legislation at the moment.

[100] **Ms George:** We have very much been aware of the point that you are making. We have had a very successful farmers' market and we knew that that had a finite customer base—coming on a Friday to a location in the centre of the county is not something that is particularly going to develop the market. So, what we did was move on to the next stage, to Pembrokeshire Produce Direct, which is an online facility for people to buy a basket load. It is true that people have a perception that local food is more expensive and I think that that is due to the way in which they buy it: if they go to Tesco and put everything in a shopping trolley and come out £100 lighter, it is different to wandering around a farmers' market and giving out £5 here and £5 there. So, it is about the simple psychology of the way in which people shop. It will be interesting to see what size baskets people have and what kinds of products they are buying. It will be a challenge to look at the capacity and the co-ordination of products and that is very much something that the National Assembly could assist with—the ability of procurement, whether that be public sector procurement or not, to provide continuity of supply. We have lots of cabbage growers, but if they are all growing cabbages for the same two weeks of the year, that is not helpful. That is an area that we would try to develop for the larger kinds of markets—the catering markets further down the line. Consumer education in relation to the individual is very important, but consumer education for the catering sector and the provision that we can offer is something that we need to concentrate on.

[101] **Brynle Williams:** Is there a need for the Welsh Assembly Government to go further back, even to education in schools to cover not just what people are eating, but food preparation?

[102] **Ms George:** It is very kind of you to ask that question, because we have a very successful project in Pembrokeshire, called Grow it, Cook it, Eat it. It has been running for a number of years and it is about getting primary-school-age children to understand it. They come and they are given a day's worth of education on production, food safety and food standards. We get everybody together and they go through the implications of food preparation, cradle to grave. I would be more than willing to pass on a video that was made last year, extolling the virtues of what these children take away from understanding the whole supply chain.

[103] **Rhodri Glyn Thomas:** Claire, you made a very interesting comment about the seasons for growing cabbages. I know that there is a very robust discussion going on about extending the powers of the Assembly, but I am not sure that that would mean that we could change the seasons so that we could grow cabbages at different times of the year.

[104] May I start off with tourism? Hannah raised this point. I think that we have probably all had the experience of going to a bed and breakfast or a hotel in Wales and having quite good service, but you may as well be in Henley-on-Thames as much as in a part of Wales for all the service that they offer. Maybe Claire could answer this question, as someone who visits St David's often, because it is probably the best place in Wales to eat. What can we do to ensure that people get an experience of Wales and Welsh produce when they stay in Wales? To be honest, St David's is not too bad, if you look at Bar Cwtch and Morgan's and even the Refectory in the cathedral, as they do offer a taste of Wales. However, there is more that we can do.

[105] **Ms George:** Yes.

10.50 a.m.

[106] **Ms Pitt:** It is probably worth thinking about the reasons that some of the tourism businesses that you referred to are not doing what we might like them to do. Speaking from our experience, we have not found it easy to improve the quality and localness of what we are selling in our business. I think that some of the reason for that comes down to the supply networks. For example, we know that there is, say, a beer, a cider and a cheese that we could easily put into our catering outlet, but they are spread out across the area, and going to get those is more difficult than phoning one catering service company and asking for your order. It is more costly in time and money, so it would help to set up some sort of network system, with those small suppliers working together so that there is only one port of call. It would make it easier and it would save money. It would mean that there is more of a reason for those small bed and breakfast businesses to make the effort to use local produce.

[107] The other side of it is that there needs to be an incentive on the consumer side. You need discerning customers who are willing to seek out places to eat where they know that they can get good local produce. That is where the education and consumer information side of it comes in. It is all very well having places that sell these wonderful things, but people must appreciate the difference and why they might have to pay 5p more in some cases.

[108] **Mr Howells:** Is a very important point. The tourism industry is very important to the economy generally and has a large impact on the profitability of the food sector. We must try—although I am not sure how we should aim to do it—to sell Wales as well as the food in those particular establishments. I am not sure about the provision of training within that sector, but I am sure that a training scheme of some description would help people to understand what the overall strategy might be—and that may well be in the tourism strategy launched last week. There needs to be a professionalism in restaurants and hotels, so that we are selling an experience that is greater than the commodities on the menu and that we can develop as an industry. Towns such as Ludlow, for example, have done that very successfully on the back of some successful restaurants. The whole economy has improved as a result, and there is a vibrancy there, which we would do well to replicate in some areas. It would have a knock-on effect for the rest of Wales.

[109] **Ms George:** I agree very much with Hannah that it is about making life easier for the end-user and about the networks. There are some successful commercial companies providing an outlet for Welsh produce, but the problem is that the smaller guys and girls who are producing do not have the capacity to deliver to those networks or provide the product. That is one side of things. We provide a resource that goes in to support the hospitality provider and educate them on what is available and what their menu might do to reflect that. That is the other angle we are looking at: we are looking at more business support information for the retailer to best reflect the local produce available.

[110] **Rhodri Glyn Thomas:** The first step would be to persuade hotels and bed and

breakfast enterprises in Wales to stop offering a full English breakfast in Wales. Why are we offering a full English breakfast in Wales—perhaps even using produce from Wales?

[111] **Alun Davies:** I assume that was a rhetorical question.

[112] **Rhodri Glyn Thomas:** Yes, it was actually. What can the Assembly Government do to promote and market produce from Wales better? What can we do better than we are doing at the moment? I think that there is a consensus that we are not doing a bad job of it, but what can we do better? How can we educate the public about the value of local Welsh produce? Brynle raised this question earlier. What can we do to highlight that and get people to be enthusiastic about buying local food?

[113] **Alun Davies:** Please give short responses to these questions, because we are running close to the end of this session.

[114] **Ms Pitt:** One of the clearest things it could do would be to regulate the use of terms such as ‘local’ and ‘seasonal’. There is nothing to stop people using these terms when they are not necessarily backed up with a good standard. There needs to be some kind of control of the use of those terms. The Government is doing some good things, but it might be useful to join those up more. For example, the work that is done to encourage healthy eating does not necessarily reflect sustainability, local food or seasonal food messages, so it would be useful to join up those packages. To a certain extent, there are things that the Government cannot do. There may be a role in relation to supporting others to do some of the communication and consumer-focused work, such as supporting or working with supermarkets to make sure that they are labelling produce in shops properly, or highlighting where things are in season or where they are Welsh, and so on. So, it is not a question of trying to do everything itself, because the Government may not be best placed to do the marketing in all cases. It is a question of working with others who can use their business nous to get the message out.

[115] **Mr Howells:** From a Welsh lamb and beef perspective, what we would like to be able to do in the future is to increase recognition for protected food names. The EU scheme has given us protected geographical indication status, because of the unique qualities and provenance of Welsh lamb and beef. What we would like to do—and it has happened to a degree on the continent—is to increase awareness of those schemes within our sectors by accessing, hopefully, in the future, EU funding to get that message across to Wales, but perhaps more importantly to England, from where tourists to Wales mainly come, so that we drive awareness of our food products. I am sure that there are more food products within Wales that could attract such status from the EU; that makes subsidising or intervention with public money easier, because of the protected food name schemes that are available in the EU. What we would like to do is to access more funds, along with the Welsh Assembly Government, to achieve increased awareness.

[116] **Ms George:** I have two things to say. The role of marketing by the Welsh Assembly Government is difficult. True Taste is very successful at highlighting good practice and at highlighting small suppliers that have niche and excellent products, but it is not very good at getting the wider message across. It is not about Wales as a brand. That can be detrimental. From looking at some of the figures in England, branding some products there as Welsh can have a detrimental rather than positive effect on their growth. Marketing at a national level has a lot of aspects to be considered. I would like to see support being given operationally, by looking at tourism businesses as outlets, their quality, how we support them, which networks we supply through, and how we make sure that the transport networks are sufficient to supply the right places—whether it is the wider, national and international market, or just the local market.

[117] **Mick Bates:** Thank you for your written evidence; they are very useful papers. I will

examine two aspects of marketing and promotion in particular. First, what role do environmental credentials play? We have heard the useless phrases ‘sustainable management of land’, ‘sustainable tourism’ and ‘green tourism’, but how important are those in marketing Wales? The second issue is awards. Can you give me examples of how awards help to market and promote Welsh produce? Are we in danger of having too many of them?

[118] **Ms George:** Awards are important, and they are something that we are very keen on. I would like to make the point that, previously, in the days of the Welsh Development Agency, they were prolific in that kind of promotional activity, getting that out and raising the profile of the individual business based on the award. That is something that has subsided over the past few years, and which was very much appreciated. It gives something for the individual business to promote in magazines, and—again, in relation to the tourism sector—in destination marketing. Environment and sustainability issues are something that we are aware of, as a public sector and as holistic practitioners looking at the economy and economic development. However, the consumer is not as aware of that.

[119] **Rhodri Glyn Thomas:** Are you suggesting that, with the demise of the WDA—or bringing the WDA into the Government—the profile of Welsh produce has diminished?

[120] **Ms George:** I am suggesting that the profile of individual Welsh businesses has diminished to some degree.

[121] **Alun Davies:** Is that Welsh businesses or Welsh produce?

[122] **Ms George:** Welsh businesses that are producing. The individual profile of businesses that were winning awards was raised with press releases, and so on.

[123] **Mick Bates:** I would just like to clarify that. Are you saying that there were more awards in the past?

[124] **Ms George:** No, I am saying that the number of press releases that went out about innovative products and awards and generally about the excellence of business standards was higher previously.

11.00 a.m.

[125] **Alun Davies:** There was a greater quantity of them.

[126] **Ms George:** Indeed.

[127] **Mick Bates:** That is interesting.

[128] **Alun Davies:** We are close to the end of this section; we need to move on. Mr Howells, could you answer that question, please?

[129] **Mr Howells:** There were two important points. The environment is very important to us as a positioning tool. Green grass and rolling hills form the backbone of what we put in front of the consuming public. It is very important. It is an image that we have and we must make use of it in the best possible way.

[130] Awards are very important, whether they are on the individual business level, at the sectoral level in congratulating good practice, or industry or brand awards. These are very important, because positive public relations activity is extremely important. That is a major plank of how we build the awareness of the brand for the benefit of everyone in the supply chain. It is very important; the more, the better.

[131] **Ms Pitt:** Not surprisingly, perhaps, speaking as a representative of a conservation organisation, I would say that the environmental aspect of marketing is crucial. It is an area where there is increasing demand and it is particularly an area where Wales can have a strong position. More fundamentally, if we do not increase the sustainability of our food system, the ability to produce food in the long term will diminish. So, it is as fundamental as that.

[132] The way that we have approached the question of awards is to link the two. So, we run our own fine farm produce award, which links the quality of the product, its taste and the environmental standards to which it is produced. It is therefore the whole package. It has been a useful tool for the producers. I will highlight a simple case. The Aberdaron fisheries have succeeded in using that award. They put some produce on the shelf with the sticker and some without it and the produce with the sticker sold more quickly. So, it has a clear visual impact. People can pick out that product on the shelf. We think that that is important because it is a way of leveraging producers to raise their standards. So, they are rewarded by being able to use the National Trust brand, which has a good reputation and is trusted. In return, we expect them to produce to high standards.

[133] **Mick Bates:** I would like to make a brief comment. Gwyn, in your paper, you showed us your advertisements—the Italian one with the green hills. What is the image on the continent, for example, of Wales?

[134] **Mr Howells:** It is extremely positive. We have benefited from having a Welsh brand. Many years ago—10 or 15 years ago—it was a British proposition from these lands. The Welsh brand has given us a huge fillip in the market in France, in the Benelux countries and in Italy, because they see Wales as unique and somewhere that they can foster a relationship with. Business is going very well. Markets are developing very strongly, not only in Europe, but further afield in the middle east and the far east. So, there is a positive image of Wales and we must build on that.

[135] **Mick Bates:** My final question is for Claire. With regard to the marketing of Welsh products, you said that, in some places, it was detrimental to label it as Welsh. Could you expand on that a little bit?

[136] **Ms George:** I will tell you exactly. I was given the figures. It was specifically in relation to the midlands. The research by True Taste flagged up that, in some areas of the midlands, sales went down when products were branded under a Welsh label.

[137] **Mick Bates:** Is that recent research?

[138] **Ms George:** I cannot give you the date.

[139] **Mick Bates:** I would like to see it. Generally, in the midlands, when we sell our lamb we find that Welsh branding conjures the image, as Gwyn has just said, of a beautiful green country that is environmentally friendly and has great welfare standards and that the food will taste good.

[140] **Mr Howells:** In our ongoing research into the market for Welsh lamb and Welsh beef, the midlands is one of the main target areas, because of the affinity and affiliation with Wales in the 1960s and 1970s when Wales was a huge tourist destination for many midlands people. So, it is certainly a very strong market for the meat sector.

[141] **Brynle Williams:** How do you think that we can bring about cultural change? The problem is that farmers will not co-operate, although they are finally beginning to come together. We want the small entrepreneurial businesses to give them that clout. How do we

achieve that? In all fairness, Hybu Cig Cymru has been successful, because the producer and the processor are putting money into that. How do you envisage making this cultural change to get enough people together to get sufficient clout to market, as we heard earlier from Ieuan? Distribution is a major problem.

[142] **Ms Pitt:** I can tell you why we think that the Dolaucothi initiative has been successful, which may help highlight what might work elsewhere. There has been an assessment of this and other co-operative products by the Countryside and Community Research Institute, based at Gloucester University. It found a number of factors for why that group was able to come together and work so successfully. For example, key individuals had the will to do it and the confidence to come together. There was already felt to be a strong kinship between that group of farmers. It was also partly down to timing, because the market for lamb at the time was particularly low, so they felt that they had nothing to lose and that it was an opportunity. There were a number of other factors and I recommend the research by CCRI, which highlights how such success can be replicated.

[143] **Alun Davies:** Diolch yn fawr. Os nad oes gennych fwy o sylwadau i'w gwneud, dof â'r sesiwn i ben. Diolchaf i chi am eich presenoldeb y bore yma, am ateb ein cwestiynau ac am eich cymorth gyda'n hymchwiliad. Bydd copi o'r trawsgrifiad ar gael i chi yn ystod yr wythnos nesaf er mwyn i chi allu ei wirio cyn i'r fersiwn derfynol gael ei gyhoeddi. Gwerthfawrogwn eich amser yn fawr iawn.

Alun Davies: Thank you very much. If you have no further comments to make, I will close this session. Thank you for your attendance this morning, for answering our questions and for your assistance with our inquiry. A copy of the transcript will be made available to you next week so that you can check it before the final version is published. We greatly appreciate your time.

[144] Cawn egwyl o bum munud cyn y sesiwn nesaf. Hoffwn gael gair preifat gyda fy nghyd-Aelodau yn ystod yr egwyl honno.

We will now have a break of five minutes before the next session. I would like to have a private word with my fellow Members during that break.

*Gohiriwyd y cyfarfod rhwng 11.07 a.m. ac 11.16 a.m.
The meeting adjourned between 11.07 a.m. and 11.16 a.m.*

[145] **Alun Davies:** Trefn, os gwelwch yn dda. Dyma drydydd sesiwn y bore yma. Cyn i ni ddechrau'r sesiwn hwn, mae'n rhaid i mi ddatgan nad ydym yn mynd i gymryd eitem 5 nac eitem 6 ar yr agenda y bore yma, felly bydd yr eitemau hynny'n cael eu gohirio tan y cyfarfod ar 20 Mai. Yr oeddwn am ddweud hynny ar gyfer y cofnod.

Alun Davies: Order, please. This is the third session of the morning. Before we start this session, I must declare that we are not going to consider items 5 and 6 on the agenda this morning, so those items will be adjourned until the meeting on 20 May. I wanted to say that for the record.

[146] Croesawaf banel olaf y bore yma. Byddaf yn gofyn i chi gyflwyno eich hunain ar gyfer y cofnod. Wedyn, byddaf yn gofyn i chi wneud unrhyw sylwadau agoriadol yr hoffech eu gwneud—cewch dwy funud yr un, os caf ofyn i chi fod yn gryno. Bydd hefyd gyfle i Aelodau ofyn cwestiynau ar eich tystiolaeth ysgrifenedig. Cymerwch hi'n ganiataol ein bod wedi gweld eich tystiolaeth ysgrifenedig ac wedi cael cyfle i'w darllen. Nid oes rhaid i chi fynd drwyddo unwaith

I welcome the last of this morning's panels. I will ask you to introduce yourselves for the record and then I will ask you whether you wish to make any opening remarks—you will have two minutes each, if I may ask you to be brief. There will also be an opportunity for Members to ask questions about your written evidence. You may assume that we have seen your written evidence and had an opportunity to read it. You do not have to go through it again. Introduce yourselves for the record

eto. Cyflwynwch eich hunain ar gyfer y and then we will move straight on to the
cofnod ac wedyn symudwn yn syth ymlaen at session.
y sesiwn.

[147] **Mr Burgess:** Diolch yn fawr. First, thank you very much for inviting me here today. I think that today is the first time that the Assembly has had a representative from the egg and white meat sector to speak to the Rural Development Sub-committee and I thank you for the opportunity. My name is Tony Burgess and with my wife, Gwen, I run a business in Aberystwyth, called Birchgrove Eggs. I like to think that we are highly successful. We produce and market our eggs throughout Wales and we also sell a lot of our eggs to England, despite them having a Welsh provenance—I must emphasise that—which I find is a marketing plus. I am here today to raise issues and concerns regarding food labelling, and not only with eggs, because the problems that I face with eggs are replicated across the whole food sector in Wales. It all diminishes the strength of brand Wales. I hope to illustrate to you today the importance of brand Wales and how I would like the Assembly to proceed—quite purely and simply, if anything is going to have a Welsh brand or the word ‘Wales’ on it, it should have been produced and packed in Wales. I hope that I will be able to persuade you to take those points on board.

[148] **Alun Davies:** Please use the opportunity during questions to make that point to us.

[149] **Mr Clarke:** My name is David Clarke and I am the chief executive of an organisation called Assured Food Standards and I run the red tractor food assurance scheme.

[150] **Mr Morgan:** Good morning. Thank you again for giving the Food Standards Agency the opportunity to contribute to this inquiry. My name is Philip Morgan and Hilary Neathey is with me. I am one of the two assistant directors working in the Wales office of the Food Standards Agency and my responsibilities include dietary health and consumer choice, so I have a very clear interest in labelling. You have seen the paper that we have provided, and I hope that you found it useful. Perhaps a few quick remarks to broaden the context a little would be helpful before we get involved in a broader discussion.

11.20 a.m.

[151] The principal reason for labelling food is to ensure that consumers have the information that they need to exercise an informed choice. Our paper identifies the formats and the types of information, whether mandatory or voluntary, that can be provided on labels. The overriding principle is that whatever is provided should not mislead the consumer. We have said something in the paper about the broader legislative framework, and it is important to recognise that most food law originates in Europe. The Food Standards Agency is a UK body that has responsibility for the area, and it negotiates for the UK in those fora. The paper identifies the major piece of work currently under way, which is the development of a new, modern, proportionate and simplified food information regulation. That has stalled at the moment pending the European Parliament elections.

[152] There is a wealth of background to this extensive and complex area, and we will no doubt get involved in that in some of our discussions. We will do our best to answer any questions that you may have.

[153] **Alun Davies:** Diolch yn fawr, Mr Morgan. Yr wyf yn gwerthfawrogi'r cynnig hwnnw a'ch sylwadau agoriadol. Dechreuaf drwy ofyn i bawb ohonoch yr un cwestiwn. Beth yw elfennau allweddol labelu bwyd?
Alun Davies: Thank you very much, Mr Morgan. I appreciate that offer and your opening remarks. I will start by asking all three of you the same question. What are the key aspects of food labelling?

[154] **Mr Burgess:** I wonder whether I will be allowed to offer some evidence of bad practice in food labelling in Wales to illustrate my points.

[155] **Alun Davies:** By all means.

[156] **Mr Burgess:** I have some egg boxes here, which I will pass to my colleagues from the Food Standards Agency to start with. Perhaps they can comment on them afterwards. This example is primarily about egg production in Wales, but the marketing or labelling aspects can be translated to any food product. Yesterday, as a brief exercise before I came here, I went to a shop in Aberystwyth, and in 10 minutes, I spotted six products for sale that were only packed in Wales although they all carried a Welsh dragon logo. The simple answer is that, for a product to be allowed to have a mark of origin, it has to be produced and packed in Wales. The products that I picked up on included four meat products and a bottle of cider.

[157] **Alun Davies:** Do you know that to be true because of your knowledge of the industry?

[158] **Mr Burgess:** Yes. As well as being an egg producer, I meet consumers and customers on an end-point basis.

[159] Despite the tremendous work that the Assembly Government has done, there is still a lot of scepticism about the origin of some of the foods that are served in Wales, and that annoys me intensely—I cannot tell you how much. I do not have an accurate figure for the value of the food being sold in Wales that has a Welsh label but is not produced in Wales, but it is probably into the millions of pounds, and that undermines genuine food production in Wales. Our own sector does not enjoy the privilege of being represented by Hybu Cig Cymru, but we have active unions that are trying to assess the problem.

[160] **Alun Davies:** May I stop you there, please? Thank you for your illustration. This box here says ‘Mr Welshegg’. To me, that implies a Welsh egg.

[161] **Mr Burgess:** Nothing could be further from the truth. Ironically, that is the nearest egg producer to Cardiff. If you or some visitor were to go to an independent shop in Cardiff today, you would probably pick up a box of eggs like that, and you would both be under the same impression. However, the eggs in that box are English eggs. On previous occasions, when I have looked at that brand of eggs, I have found that they were Spanish, Dutch and French, yet there is currently no legislation to state that that kind of labelling is illegal. These boxes are saying only that the eggs are packed in Wales.

[162] **Alun Davies:** So, for the sake of clarity, may I check that I have understood? ‘Mr Welshegg’ is a brand, which implies that the eggs contained in the boxes are Welsh. It says here, ‘quality tested in Wales’, which I suppose means that it was tested in Wales rather than produced here.

[163] **Mr Burgess:** That is open to discussion. That is just one example. The other example in front of you is a box of Tesco organic eggs with a Welsh dragon on it. I am not for a minute suggesting that those eggs are not Welsh, but, on the back of that box, Tesco says that it sources and packs its eggs in Wales. If you had a Fiat motor car, you could go to any garage and it could source you a Fiat car part from Italy. ‘Sourcing’ is not a term that should be recognised; it should be ‘produced’, and I cannot emphasise that enough. It is the same problem if we buy a jar of Welsh preserves, for example. It says ‘packed for’, which is a huge grey area. I know that we are burdened enough with legislation, but legislation must be better directed.

[164] **Mick Bates:** I wonder whether we could ask the Food Standards Agency to comment

on that.

[165] **Alun Davies:** I was going to, but I wanted Mr Burgess to complete his point first.

[166] **Mr Burgess:** The box in which the eggs with the Welsh dragon are packed have the same words: 'quality tested in Wales'. So, that is where I am coming from, and all I want the Assembly to do is consider a quality kitemark for Welsh products, to lift them above the grey area.

[167] **Alun Davies:** Thank you for that, Mr Burgess. It is a very striking illustration. Turning to the FSA, we do not see you as the bad guys in this at all, but I raised this point with processors in a previous session, and the answers that we received were very clear: if a product is labelled 'Welsh', as these eggs are, it must have gone through a processing process in Wales to qualify for that. Are you in a position to comment on what we have just heard and that evidence?

[168] **Mr Morgan:** We do our best, but it is a complicated area. It is complicated in that there is no EU definition of a country of origin.

[169] **Alun Davies:** Is there not a commonsense definition?

[170] **Mr Morgan:** There is a broadly accepted definition from the World Trade Organization's rules, namely that origin is the country where the goods were wholly obtained, or, where more than one country is concerned in the production of the goods, where the last substantial transformation was carried out. So, a product such as eggs is a single component and not a processed food, and it is not required to be declared as a product of Wales, England or any other country. However, is the claim made on the box misleading to the consumer? From what I am hearing, there are grounds for coming to that conclusion.

[171] The other dimension in this is that that is the brand.

[172] **Alun Davies:** Presumably, 'Mr Welshegg' can be 'Mr English egg' by saying that its goods are produced 30 or 40 miles from here and, 300 miles to the north, it could be 'Mr Scottish egg'. It is about appealing to a market that has certain perceptions about those different geographical entities. Perhaps it is seeking to mislead.

[173] **Brynle Williams:** On the same subject, Chair, I have great sympathy on the branding of products. Like my friend, Mick Bates, I am a practising farmer, and we have battled against the issue for years. The product has got to be what it says on the tin. I have been involved in lobbying with meat in fridges. [*Laughter.*] That was pig meat and it is a serious matter. You had three different countries of origin but the products had virtually the same label; only the logo was slightly altered. This is why it is a very serious issue. One label would say 'product of the Netherlands', another would say 'product of Belgium', and the other would say 'product of the UK', but they all looked the same. The housewife, or the consumer, must know what they are buying. That is why it should be what it says on the tin. This is what the issue is all about: the provenance of the product.

11.30 a.m.

[174] **Mick Bates:** Thank you very much for raising the issue, Tony. I am concerned about it, and I ask the FSA for clarification. Perhaps David Clarke will also want to talk about it. I want to discuss the establishment of a kitemark. That is the critical issue. Given the complexities of establishing the country of origin, people can do this labelling under the law, and there is nothing illegal about the process. How easy would it be for the Government to establish its own kitemark, as Tony is requesting, which would guarantee that a product has

been produced and packaged in Wales? Can that be done?

[175] **Rhodri Glyn Thomas:** Before you answer that, David, is everything that carries the red tractor label produced in the UK?

[176] **Mr Clarke:** If it has the union flag within the red tractor mark, yes, it is. Everything produced in the UK that is on the shelves today and for the past 10 years has had the union flag in the logo.

[177] **Mick Bates:** If we had a little Welsh dragon within the red tractor, would that serve as a Welsh assurance?

[178] **Mr Clarke:** It is for the FSA to talk about the constraints of EU law, but, working within those constraints, you can do more rigorous things with a private label within reason. We would say to users of our label, 'If you want to use this, these are the rules and we will make sure that you comply with them'. Our rules are rather more transparent than the overriding legislation.

[179] **Mick Bates:** Can I pursue the kitemark issue, please, Chair? I want to hear about that.

[180] **Mr Morgan:** I am not sure whether I can give you a definitive answer, but, as far as I can see, there is no legal impediment to preventing that from going ahead voluntarily. If the Welsh Assembly Government wanted to promote Welsh products by giving them some sort of visual identification, there would need to be an assurance system behind that, but we, as another Government department, would not necessarily be directly involved in that, as long as it is consistent with the legal provisions. The key question is not whether you can do it, but what infrastructure would be required to ensure that those claims were verifiable. That ventures into the territory of promotion, which is not directly our remit.

[181] **Alan Davies:** I ask you not to wear your headsets around your necks, as that interferes with the broadcasting equipment.

[182] May I press you a little further on that? You have a role in consumer protection but, from what we have seen this morning, it appears as though this is an organised and planned deception of the consumer. On the face of it, the consumer is being sold something that is believed to be something else. That is being done to sell more and to make a greater profit, and a deception is actively being practised. Surely the FSA has a role to play in protecting the consumer and in telling whoever Mr Welshegg is, 'Sorry, but this form of packaging is designed to deceive, it may deceive, and we therefore believe that we should protect the consumer from this deception'. Do you not feel that you have a role in doing that?

[183] **Mr Morgan:** Our role is slightly different. Enforcement of the legislation is largely a function for local authorities and, in this case, it is arguably a matter for the Egg Marketing Board, which is an executive agency of the Department for the Environment, Food and Rural Affairs. It has the responsibility for the enforcement of the rules around eggs, if my understanding is correct. However, if there is a belief that the consumer is being misled by the label on a product, the recourse is to bring some form of legal challenge through the local authority or the other enforcement body, which I suspect is the Egg Marketing Board in this case, and to consider the impact of that claim on consumer understanding.

[184] **Brynle Williams:** It is consumer protection that is responsible. To go back to that personal experience of mine, when I went to Flintshire trading standards and pointed out the three pieces of ham to it, the officers came back to me and said, 'Ah well, it did say such and such, albeit in small print at the bottom'. However, if you looked at the main logo, it appeared as though it was all one product in the same freezer.

[185] This is where it comes back to, as far as I am concerned—I think that this is where you are going, Mr Burgess, as we all are—on establishing a Welsh brand. If it is a manufactured or a cooked product, I believe that 80 per cent of the product has to come from the country of origin. That has been the argument by companies with regard to ready meals and so on. As far as I am concerned, I would like to establish who represents the law. Is it the Food Standards Agency or trading standards? I am sorry to be so blunt about it, Mr Morgan.

[186] **Mr Morgan:** It is a perfectly reasonable question. Our responsibilities are for developing and implementing the law. Taking forward the enforcement of it is very much the function of local authorities.

[187] **Alun Davies:** Thank you. It may be useful, Mr Morgan, if you could provide us with a written note on the points that you made earlier. Your evidence provides some information on the country of origin but it might be useful for us to receive a note on these issues where, as I would say, there is an organised deception taking place—by Tesco and Mr Welshegg on this occasion—and for us to understand how they are able to do this and escape prosecution.

[188] **Mick Bates:** I wanted to question David Clarke on this. You have experience of the establishment of a brand. Is it possible that that brand could be altered for Wales—for example, there was a dragon with a red tractor to begin with—which could answer the points about ‘produced’ and ‘packaged’? That is where we would like to take our investigation, to ensure that there is a uniqueness for a Welsh product, which has a reliable assured label. Is that possible?

[189] **Mr Clarke:** I was going to make two or three opening remarks. If I may, I will do so, because I think that it will start to answer some of those questions. First, taking a slight step back from where we have reached, our focus with the red tractor scheme is to recognise the fact that the majority of British farm products is sold through the major retailers, major processing brands and, to a more limited extent, through the catering chains. So, we are looking at the big market for food farm products, rather than at niche markets. With the red tractor kitemark, we are trying to identify and differentiate quality British food on the supermarket shelf, where, otherwise, it would be anonymous and interchangeable in a global market. That is very important. Just to achieve that is quite a challenge. We have the red tractor logo now on £8 billion-worth of UK products this year, and every year.

[190] As the colleague from the Food Standards Agency mentioned, the red tractor mark is based primarily on the proposition of good production standards to assure safe food, animal welfare in all of the livestock sectors, and care for the environment. You might ask why; one reason is because it is still important. Food safety comes and goes in the media on a regular basis; you have had recent issues in Wales with Professor Pennington releasing his report, and many animal welfare issues have appeared in the media recently. So, we think that it is important. Secondly, promotion must be based on a quality proposition if it is going to avoid conflict with the EU single market rules. I think that you were sort of dancing around that issue a few minutes ago. The labelling legislation is one thing; the single market rules are another matter, both of which come into play. We have to be very careful not to conflict with the EU’s vision of a single market. We do so by primarily basing our logo on a quality proposition.

[191] However, the red tractor logo does include an indication of origin, where the food is farmed, and we have evidence that consumers use this. As I said, in the past, that has been a British proposition, but we already recognise that there is a growing demand for regionalisation or localisation. That could easily be executed from an execution point of view. The point that I make in my paper, which I do not think that you should lose sight of, is that our kitemark goes on other people’s labels. I do not make any food or own any labels. The

only way that my logo is used is to persuade the label owner that it will add value to their brand. That is the challenge. Designing a logo with a dragon on it is easy; a design studio could do that in half an hour. Persuading the brand owners that there is value in using that brand is the challenge.

11.40 a.m.

[192] **Brynle Williams:** That is 100 per cent British produced, not standard. The red tractor is only on British produce, yes?

[193] **Mr Clarke:** My logo will only be used with a union flag if the food has been produced and processed in the UK—guaranteed.

[194] **Brynle Williams:** Is that produced in the UK?

[195] **Mr Clarke:** In case there is any confusion about terminology, it means farmed or grown and processed and packed in the UK.

[196] **Mick Bates:** Tony Burgess, could something like the red tractor image be somehow incorporated? Would that suit your request? It seems to me that the red tractor's assurances are that the food has been reared or grown and packed in Britain. Do you want that for Wales?

[197] **Mr Burgess:** No.

[198] **Mick Bates:** Do you not?

[199] **Mr Burgess:** In a nutshell, no. There are independent accreditation schemes for eggs, but they are completely voluntary. I want the Assembly to start its own innovative brand, and that could come under the umbrella of True Taste. I would rather True Taste be a brand of origin than a competition. A red tractor mark, on the consumer level, still does not have 100 per cent confidence, for whatever reason. I hear that to carry the red tractor mark now, producers such as Bernard Matthews only have to source 80 per cent of their product in the UK. Their chickens are from Chile, as is their ham, yet their products still carry a red tractor mark.

[200] **Mr Clarke:** No. Sorry, I should not interrupt.

[201] **Alun Davies:** You will have an opportunity.

[202] **Mr Burgess:** That is the consumer's perception, and that is what I understand anyway. Unless the product is 100 per cent produced in Wales, it should not carry the Welsh dragon logo.

[203] **Mr Clarke:** There may be some confusion here. You mentioned Bernard Matthews, so I use the same example. If a Bernard Matthews product carries the red tractor logo, all the turkey in that product must be assured; it must have been produced on a British farm and processed in a British factory. There is no question about that. The confusion might come from the fact that we allow the logo to be used on what I call 'composite foods'—that is, foods that have more than one ingredient. Many foods are marketed in that way, so that, rather than selling an egg, you sell a quiche. If I have a chicken product such as chicken Kiev, it would have some butter in it and might have some other ingredients in it. If it were to carry my logo, it would mean that absolutely all of the chicken ingredients would be from British farms and processed in a British factory. The butter, the ham, and the other ingredients might come from some other origin—that is not a good example. We have used the device regularly on breakfast cereals, for example, some of which, these days, have added fruit. The red tractor

logo on the breakfast cereal is saying that those cereals are assured British ingredients from assured British wheat, oats or whatever. The fruit—the cranberries or whatever—may have come from somewhere else. We are not allowing the assured ingredient, the chicken or whatever else, to be diluted by foreign imports, however. There is no question about that.

[204] **Brynle Williams:** Can we move on, gentlemen? What should the Welsh Government be doing to support and promote food provenance through labelling?

[205] **Mr Burgess:** Brynle, I would just like to see legislation introduced on the use of the red dragon, so that it becomes a gold standard that states that the product that carries it has been produced and packed in Wales. It is simple as that.

[206] **Mr Clarke:** I certainly do not want to fall out with my colleague here, but if you were only to promote Welshness, you would need to be very careful about state aid rules. There are schemes in other European member states that have had problems with that quite recently, including Germany and the Republic of Ireland. That is why I am, not advocating my scheme, but simply pointing out that we understand the rules and are working within them, because we have a quality proposition, which is essential in order to work within the rules. My answer to the question goes back to the point that I made at the end of my opening remarks: the only way that you will differentiate Welsh products from products from anywhere else in the world or even Welsh products from British products is to persuade those who own the brands, and particularly those who own the supermarket-own labels, that there is added value in differentiating the Welsh product stream. That probably means putting political pressure on the brand owners, and it means persuading consumers that they should be asking for those products when they go shopping or eat in restaurants. It will require a two-pronged attack.

[207] **Brynle Williams:** At the moment—

[208] **Alun Davies:** Sorry, Brynle, we had the question about the FSA first.

[209] **Mr Morgan:** I will make a brief response to that. Whatever happens must be consistent with the legislative framework that we have already talked about. However, behind that, there is also a huge amount of best practice guidance that we have developed as an agency with industry. Clearly, it is important that producers follow that as well as the legislation; it is there to supplement the legislation, not replace it.

[210] **Brynle Williams:** I think that the issue is that it is the provenance that we are interested in rather than the brand. As I have demonstrated before, establishing the provenance is the problem. Effectively it is coming back to the Government here, so we will have to look at advice from you, to start with. This is not working at the moment—there are too many grey areas. How can we close these gaps to prove provenance? Or is it the case that we cannot do so? Does EU regulation override everything?

[211] **Mr Morgan:** Ultimately, we come back to what the legislation provides. This is one facet of the ongoing discussions around the new food information regulation that will ultimately emerge and apply across the whole of Europe. On the basis of the discussions that have been going on over the past year or so, the reality is that the country of origin, the provenance points, are not likely to change from where they are now. There will be a narrow range of products on which producers will be obliged to declare the country of origin. However, the majority will be done on a voluntary basis, and the issue is, therefore, how the infrastructure supports the enforcement of that voluntary regime. It comes back to the point that I was making earlier, that we need to be vigilant to ensure that what is provided for is actually delivered and that, where advantage of loopholes is being taken, appropriate enforcement authority action is taken.

[212] **Brynle Williams:** Can you summarise what the key priorities should be for improving food labelling? How should the Welsh Government respond to those? That question is to all of you.

[213] **Mr Morgan:** We have a number of priority targets. One of the key ones is to ensure that, within the new framework, when it emerges, there continues to be discretion for individual member states to take forward aspects of the labelling process within the country. A prime example of that would be the front-of-pack information that has come to the fore in recent years in the UK. We would very much like to see that information, which provides at-a-glance, non-technical data for consumers in order that they can make quick choices, continuing to be allowed under the new proposals. That would be our key objective.

[214] **Mr Clarke:** I can only repeat what I said before. I was looking at the evidence that the NFU Wales gave you. It made the point that there is a trend towards anonymising food behind branded labels. The struggle from the producer end is to differentiate the product. We have been trying to differentiate British product; you are trying to differentiate Welsh products. That is your struggle, and I think that you could exercise some political leverage to achieve that.

11.50 a.m.

[215] **Mr Burgess:** I have to agree with Mr Clarke on that. We need to differentiate our products far more clearly, and we can only do that with a clear accreditation scheme, which has to be set up by the Assembly. I cannot see that it will cost much, because accreditation schemes are self-funded by the producers. I think that you should investigate going down that road.

[216] **Mick Bates:** David Clarke mentioned the NFU evidence. The president of the NFU, Dai Davies, said that the union would like to use the red tractor logo along with the dragon logo. I have said that before. Will that happen, or is it just an idea that will drift away?

[217] **Mr Clarke:** I could make that available by the end of the month. The challenge is whether anyone wants to use it. I am absolutely certain that we are going that way. We have a promise of some additional promotional funding from the UK levy body, which, as I explained briefly in my paper, covers Welsh products at a UK level, beyond beef and lamb. We have had to put in an application for state aid clearance of that funding, and that includes a proposal that the logo can also be used on a regional basis. So, we have anticipated that, and we are taking the mechanics forward. However, I come back to the point that you have to generate the demand, either from the consumers or by some political leverage, or both, ideally, in order for people to take it up. In many cases, there will be, particularly with the big food chains and big supply streams, additional difficulties in separating out Welsh product from the supply stream, and you have to give people an incentive to do that. It can be done, but there is a bit of a challenge there.

[218] **Mick Bates:** My next question is to Tony Burgess. You have created a big discussion on this kitemark proposal this morning. What is the egg industry doing? Could you tell us briefly about your assurance schemes? You used the term 'Welsh egg' this morning, and you use that to describe something that is produced and packed in Wales.

[219] **Mr Burgess:** Yes, and we are a member of the Freedom Food scheme, and we are audited under that scheme, and we are also audited by the Egg Market Inspectorate, which checks the country of origin. You do not have to put a country of origin on your egg boxes, as you say, but it is a definite marketing advantage to do so in Wales. The only policing that we have apart from that is done by the Trading Standards Institute, our own accreditation

schemes and the EMI, but EMI inspectors can only follow Food Standards Agency directions with regard to labelling. The example that I gave you this morning falls under the radar with current Food Standards Agency regulations. There are many regulations regarding egg production, but clearly not enough, although I hate to say it.

[220] **Mick Bates:** Is there a representative body in Wales specifically for egg producers?

[221] **Mr Burgess:** There is not a voluntary one; the NFU poultry board is the nearest thing to it.

[222] **Mick Bates:** Is there a Welsh egg packing station, or is that down to individual businesses?

[223] **Mr Burgess:** It is down to individual businesses.

[224] **Brynle Williams:** Are we overburdened with accreditation schemes? We have on-farm inspections for animal health and welfare, which should make up one of them, and then we have various companies that apply their schemes to producers of milk or meat or what have you. The producer pays into a lot of these schemes, but he does not seem to be getting the protection from it on the other side. The only product that is being safeguarded with PGI status in Wales is that produced by the red meat industry. Regrettably, nothing else in Wales carries any security of tenure, origin or anything else.

[225] **Mr Burgess:** There is an expression in Welsh, '*Diwedd y gân yw'r geiniog*'. If any accreditation schemes are set up by the Assembly that will enhance the profitability of a product, I predict that every producer would go for it. They would ignore the extra burden as long as it produced more finance and profit.

[226] **Alun Davies:** Thank you for your time this morning. We appreciate the time that you have taken to give evidence. A transcript will be available of this session within the next week or so for you to see and to correct before we publish it. The next meeting of this committee is on 20 May, when we will continue to take evidence for our inquiry into the production and promotion of Welsh food. We will also review our report on electronic identification at that meeting.

*Daeth y cyfarfod i ben am 11.55 a.m.
The meeting ended at 11.55 a.m.*