



Ann Jones AM
Chair
Committee for the Scrutiny of the First Minister
National Assembly for Wales
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Dear Ann,

I am writing in response to your letter of 15 March following my appearance before the Committee in Newtown on 16 February. My responses on each of your points are below.

Welsh Government support for businesses participating in trade missions

Developing new export business requires a certain level of investment of time and money from companies. The Welsh Government contributes to this investment with both free and subsidised advice and support.

Companies should not see trade missions as the first step towards exporting. Whilst they are a good way of assessing the potential opportunities in a market, they require a significant amount of advance preparation to ensure companies can maximise the benefit from their time in market. A great deal of support is available to help companies prepare for the trade missions, much of which is free or heavily subsidised. As I mentioned in Newtown, sharing the cost demonstrates a joint commitment and partnership between the company and Welsh Government. The cost of participation is substantially subsidised and, if a company is serious about exporting, then this should not be a barrier to joining a trade mission.

There are three different types of intervention to take a company to market which are: Food and Drink Trade Development visits; attendance at major trade shows; and multi-sector trade visits. Officials work with companies on readiness for the range of programmes. We provide fully subsidised, one-to-one support from a contractor for International Trade Development. We help companies to develop an export strategy, identify and prioritise target markets, give advice on routes to market, technical standards, paperwork and logistics.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Our Export Club up-skills Welsh food and drink businesses to achieve significant export orders. The Export Club is currently free to join. We organise events in the UK and overseas to support and mentor producers free of charge as they prepare for events and we give heavily subsidised support on the exhibition stands.

If the Welsh Government is not attending an event but a client wishes to, we ordinarily pay 50% of the cost. For more experienced exporters, our consultants help them to identify and connect with potential customers in their target markets through International Trade Opportunities. This service is tailored for each company who pay 25% of an agreed project cost.

Promotion of the food and drink industry

The Great Taste Celebration is seen as the Oscars of the fine food world. The trade event brings together the Welsh Winners of the Great Taste Gold Star Awards and food and drink buyers, to showcase, promote and sample the winning products.

The awards are recognised badges of excellence by both consumers and trade buyers. The event showcases Welsh food and drink brands using a clear understanding of trade strategy to inform the presentation of the brands to buyers. 165 Welsh food and drink producers entered the Great Taste competition last year.

The celebration is also an opportunity to invite the media, food critics and chefs, giving maximum exposure of the best of Welsh. The True Taste Awards were discontinued because, following detailed consumer research, it was found there was poor recognition of True Taste. There was also a significant budgetary cost to running the competition and awards. For these reasons the Great Taste Awards is considered to be much more beneficial to producers.

Supply of Welsh produce to large retailers

The Welsh Government's Trade Development Programme challenges suppliers and drives efficiency and productivity to grow businesses. We make up to date, detailed market information available to suppliers and buyers and help suppliers to use this information to increase their market share. The Trade Development Programme consists of Trade Engagement, Meet the Buyer, St David's Day Activities and Category Management support, the successful Business Lounge at the Royal Welsh Show and the celebration event for Welsh Great Taste Award winners.

Through Trade Engagement we develop and maintain relationships with key influencers in each of the major supermarkets, wholesalers and foodservice operators, typically sourcing, Regional or Buying Managers and Directors. We meet with them in store, at events and through the Welsh Retail Consortium, to ensure they fully understand Wales' supplier base and the growing range of food and drink produce available. We use the opportunity to explore and discuss broader Welsh Government priorities including food safety, food waste, food poverty, nutrition and health and food security.

We support food producers to keep abreast of changes in consumer tastes and trends and understand and adapt to new buying behaviours. Social media promotions, apps and mobile ordering and payment, and the rise in street-food all affect what the consumer is looking for. To be successful in the current marketplace, we help Welsh companies to get an in-depth knowledge of their 'category' to enable them to offer products their customers want to buy. Our support also enables suppliers to understand where their product fits in the market and the importance of display, packaging, price points etc. and provides in-depth analysis of categories to ensure that new products will secure sales at a price which is

profitable and sustainable for the long term. Consumer demand for healthier food-to-go and convenience products is increasing. Our work has identified specific growth opportunities for producers which provide a focus for their work in these categories. As health and wellness continue to dominate government and consumer aspirations, we need to understand the opportunities for healthy options in the food-to-go areas of convenience stores.

Technology makes it easier to create and sell convenience foods but producers and retailers must be innovative and target the right products at the right markets to ensure their success and attractiveness with consumers. A review of the convenience market is currently underway. Wales has a high number of small independent retailers so this information will be very relevant and compliment our offering which has in the main focused on the large multiples through the Kantar work. The Welsh Government can use the information to inform and support the Welsh food and drink industry to understand the changing market and rapidly changing consumer demand. Research into convenience is a new priority and an area the Welsh Government is working to better understand to be able to target support.

Future Funding for Agriculture and Land Management

The HM Treasury, Defra, and Devolved Administrations' EU Exit Coordination Group, which the Welsh Government is a member of, is tasked with considering the detail of the existing commitments and our future funding relationship. Work is currently in progress to assess the implications from the recently announced Transition period agreement.

Funding is also now a standing item on the Cabinet Secretary for Energy, Planning and Rural Affairs' monthly quadrilateral meetings with the Secretary of State for Environment, Food and Rural Affairs and Devolved Administration counterparts.

I will expect to hold the UK Government to their guarantee that ring-fenced funding will be made available to ensure that the Welsh Government will not have to fund any shortfall from our existing budgets. I also expect this to form the basis of any future funding agreement so the Welsh Government will not lose out financially as a result of leaving the EU.

The M4 around Swansea

During the Committee session I also agreed to write with more information on this issue. The Cabinet Secretary for Economy and Transport wrote directly to Dai Lloyd AM on 5 March regarding his concerns about the M4 around Swansea with the following information.

As part of our congestion-easing Pinch Point programme, we have completed the WelTAG Stage 1 feasibility study for the M4 junctions 32 to 35. This is now progressing to Stage 2. Junctions 35-49 are now progressing through the same Stage 1 process. As this is a much larger stretch of the M4 with multiple issues at junctions, this will take a lot longer. It is anticipated the first stage will be completed early in the new financial year, progressing to Stage 2 in the summer of 2018.

Once these processes have been completed we will be in a better position to provide further information about possible mitigation measures which might be put in place.

With regards to road safety, we review collision data to establish the need for road safety improvements which results in a rolling programme of schemes. These are subject to prioritisation and funding across Wales.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

CARWYN JONES