# Developing and Promoting Local Food in Mold and its Hinterland

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Draft v 2

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This piece of research has been commissioned by **Cadwyn Clwyd on behalf of partners including Flintshire County Council, Cittaslow Mold, Mold Town Council** and the Mold Food and Drink Festival. Cadwyn Clwyd is a Rural Development Agency servicing rural communities in Denbighshire and Flintshire. Cadwyn Clwyd has received funding through the Rural Development Plan for Wales 2007-2013 which is funded by the Welsh Assembly Government and the European Agricultural Fund for Rural Development.

Cronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig: Ewrop yn Buddsoddi mewn Ardaloedd Gwledig
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# 1. Introduction

## 1.1 The Project

This research was commissioned by **Cadwyn Clwyd on behalf of key partners in Mold including Flintshire County Council**, Cittaslow Mold, Mold Town Council and Mold Food and Drink Festival. Cadwyn Clwyd is a rural development agency which delivers support to develop and diversify rural communities in Denbighshire and Flintshire. The overall aim of the study was to gain a better understanding of the issues relating to accessing local produce, and the best methods of promoting local food through the following primary objectives:

- Create a comprehensive database of primary and food producers in Flintshire
- Establish what demand there is from food retailers, the hospitality sector and public procurement in the Mold area for local produce. Whether they would support a Local to Mold hub shop in the town centre and brand food as locally produced in their outlets
- Production of a business case for the Local to Mold hub shop based on evidence from the study
- Production of an analysis of the findings with recommendations as to the opportunities for the sustainable development, retail and marketing of locally produced food
- Identify where current funding opportunities exist – and map these against potential projects that will move the local food market forward.

The research was conducted between November 2009 and February 2010.

## 1.2 Structure of the Report

The final report is structured into five parts, dealing respectively with the Background and Methodology to the research (Chapter 1-2), our Findings (Chapter 3-4), and our Conclusions (Chapter 5) and Recommendations (Chapter 6). The remainder of this document is structured as follows:

- *Chapter 1*: an introduction and background to the research;
- *Chapter 2*: an outline of the current strategic context, documents and key objectives;
- *Chapter 3:* profiles and markets of Flintshire primary and food producers;
- *Chapter 4*: our findings from the survey and focus groups undertaken with hospitality, tourism, retail businesses and our consultation with stakeholders;
- *Chapter 5:* Local to Mold food hub research and findings;
- *Chapter 6:* analysis of marketing and promotional opportunities for local food;
- *Chapter 7:* proposed food hub model;
- *Chapter 8:* procurement findings;
- *Chapter 9:* conclusions and recommendations based on the research findings.

## 1.3 Research Methodology

This research study had four main research objectives. The first was to consult with primary and food producers in Flintshire to gain a better understanding of:

- The number of primary and food producers, as well as the range and nature of produce made in the county
- How producers add value to produce (if applicable), and their markets

Research was also conducted with local businesses in the tourism and hospitality sectors so a better understanding could be gained of:

- The current levels of usage of local produce amongst these sectors; and
- The demand for the produce and the barriers to accessing the produce.

The third objective was concerned with researching the views of public sector procurement managers in order to:

- Understand the current use of local produce by key public sector organisations that service predominantly Flintshire and North East Wales; and
- Understand the barriers preventing access to local produce.

Finally, a range of potential stakeholders were identified who either have an interest in the promotion of local produce or whose work would link in with potential future activity in the area. Their views were sought on the following:

- Ideas on promoting local produce; and
- Current business support available to the food and drinks sector in Flintshire

All four research groups were also asked their opinions on establishing a food hub in Mold. These objectives were achieved through a four stage methodology.

<u>Stage 1: Survey and focus groups with primary and food producers & database production</u>

This involved a review of the data already in existence including a desk based review of food related businesses in the area. This approach ensured that the research built upon existing information and did not duplicate past research and existing information. As well as providing current and up to date information on businesses in the area, this stage formed the basis for the fieldwork stage. This stage involved a review of the following sources: databases provided by Cadwyn Clwyd and Cittaslow Mold, Yell, True Taste, stats Wales, Farming Connect, Contractshop and environmental health. Once a list had been completed a survey was conducted with food and primary producers in Flintshire. The survey provided an opportunity to enhance our understanding of working farms within the county and record what is produced and grown and where the product goes to at next stage. To gain additional insight and viewpoints, two focus groups were also held, which afforded the opportunity to probe further on some of the issues and themes raised during the survey. A total of 121 Flintshire producers were surveyed and two focus groups were held.

An access database has been compiled which has the details of all the food and primary producers in the county, which will be a useful tool for future marketing campaigns and communication. This will be managed by the Business Team within Flintshire County Council, who will have responsibility for updating records and ensuring details are up to date.

Stage 2: Survey and focus groups with hospitality and tourism businesses

As part of the research objectives, the study involved a range of food related businesses concentrating specifically on engaging with hospitality businesses and food retailers. This aspect of the research was intended as a means of providing a baseline of information on businesses in the Mold area and to look specifically at where they buy their produce and what barriers they face when sourcing food materials as inputs. Two focus groups were also conducted which provided an opportunity to gain a better understanding of purchasing habits and viewpoints on establishing a food hub. A total of 53 businesses were surveyed.

Stage 3: Consultation with Stakeholders

A range of stakeholders were identified and details forwarded for consultation. These were key individuals from predominantly the Mold area who was felt would have a particular interest in the development of the food and drinks sector in the county; be able to provide an insight into the business support sector and how best to support producers in the future and also to gain their views on establishing a food hub in Mold. A total of 12 individuals participated in this element of the research.

Stage 4: Consultation with Procurement Representatives

This stage involved consulting with key local public sector procurement departments in various organisations in north east Wales, and also those organisations who service Flintshire that are likely to procure food and drink such as the NHS. This allowed us to identify how food products are sourced for internal contracts and identify any barriers that local businesses may face when competing for public sector opportunities. A total of 6 organisations participated in this element of the research.

## 2. Strategic Context

In examining a viability of a food hub, it is imperative to examine the strategic context especially if public funding is sought to finance the project. This chapter will examine the relevant policy documents namely the Welsh Assembly Government's Food Tourism Strategic Action Plan (2009)[1]; The Local Sourcing Action Plan (2009) and One Wales (2007)[2]. Any financial bids for public funding and business plans will need to demonstrate that the food hub will contribute through positive action and implementation to one or more of the objectives as set out in these policy documents.

### 2.1 Introduction

There has been an escalating interest in local sourcing of food and drink recently. Indeed, local sourcing has developed as one of the priorities of the Welsh Assembly

[1] http://www.walesthetruetaste.co.uk/en/NewsPublications
[2] http://wales.gov.uk/about/programmeforgovernment/strategy/publications/onewales/?lang=en

Government and this is reflected through the *Local Sourcing Action Plan 2009*, *Food Tourism Action Plan 2009* and the *Farming, Food & Countryside strategy*. Following recent events in areas including North East Wales, there has certainly been an increase in awareness surrounding the issue. Attention is being given to the importance and benefits of purchasing locally produced food and drink.

It is argued that local purchasing benefits the local economy by allowing capital that is spent locally to be reinvested into local communities. Local scale investment would also lead to securing and strengthening local employment and reducing the impacts associated with the transport of goods from great distances. This, in turn, would lead to reducing carbon emissions, providing a less negative impact on our environment.

Past research within Wales also demonstrates that customer demand for local and Welsh produce is growing. A study by *Beaufort Research* for the Welsh Assembly Government in 2008 outlines cost, health and taste as the only 'motivators' ahead of local produce. Elin Jones, Minister for Rural Affairs, reaffirms the importance of buying locally by stating that:

> "People are now demanding to know where their food comes from and are seeking reassurances on production methods and animal welfare. They are concerned about the negative impact of food distribution systems on the environment and want their money to support producers and growers directly."

It is therefore argued that local food produce has a major role to play within Wales, economically, socially and environmentally. Past research, coupled with the increasing emphasis on local purchasing suggests that there is an opportunity to raise the awareness of the importance of local produce with local businesses.

In response to the issues facing rural Flintshire, several activities have been undertaken to promote producers and to create demand for local produce in the county. In response to the issues facing rural Flintshire, the County Council aims to tackle some of the issues through the Rural Development Strategy for Flintshire (2007-2013). The strategy hopes to "…improve the quality of life and economic prosperity in rural Flintshire by developing and implementing appropriate regeneration initiatives."

As part of the Rural Development Strategy, Flintshire County Council and Cadwyn Clwyd in conjunction with the Flintshire Rural Partnership have identified 4 strategic themes. This research will also provide valuable information for current activity across 3 of these themes: Development of the Tourism Industry, Sense of Place and Energy / Waste, Land Use, Forestry and Agri Food.

This, as well as other food projects (including *Cittaslow Mold and Mold Food & Drink Festival*) delivered by partner organisations, volunteers and overseen by the Local Action Group (LAG) will assist in raising awareness about local producers and the produce on offer, creating additional economic opportunities. Again current activity in Flintshire in promoting local produce fits in with the Welsh Assembly Government's aims and objectives through the *Local Sourcing Action Plan – Food and Drinks for Wales*, which seeks to assist Welsh food and drink companies in their efforts to access local markets and also aims to make it easier for consumers to buy food and drink produced in Wales.

This research will provide a basis of information for future intervention and activity and help develop a better understanding of local businesses and their buying and selling patterns, as well as the procurement practices of the public sector in the region.

## 2.2 Contribution of Food Hub Activity to Strategic Context

Due to the level of detail in some of the aforementioned policy documents, the matrix below has been created to illustrate in a more simplified manner the strategic objectives that the Welsh Assembly Government have outlined, and how establishing a food hub in Mold would contribute towards meeting these objectives. The actions outlined are based on a mixture of activity including establishing a physical hub where local produce can be accessed and the wider promotion of local food and drink.

**Table 1**



| Strategic Document | Objective | Contribution of Food Hub Activity in Terms of Actions |
|---|---|---|
| **1. One Wales** | To stimulate enterprise and business growth with provision available for social enterprises. | A food hub could be established as a new co-operative and social enterprise, aimed at making local food and drink more accessible.<br><br>Possible new market for current producers – dependent on demand, possibility that some food and drink micro businesses would grow and/or diversify.<br><br>Creation of new jobs. |
| | The promotion of tourism and what Wales has to offer. | The targeting of hospitality / tourism businesses – encouraging increased use of local produce thus adding value to their businesses and enhancing the visitor experience.<br><br>Promoting Mold and Flintshire as a food tourism destination. |
| | Enhancing skills for jobs. | Job creation as staff would be required to manage and run the hub. Possibility for volunteering opportunities – targeting the long term unemployed, would provide valuable work experience and additional skills.<br><br>Supporting food and drink businesses that may have additional training / skills needs to stimulate business efficiency and growth. |
| | Regenerating communities. | Social enterprises have social, financial and environmental objectives which is central to their day to day business operation. |
| | Encourage sustainability and reduce carbon emissions. | One central hub where information and local produce can be accessed; encourage businesses to buy local thus reducing food miles and encouraging sustainability. |
| | Support rural initiatives, promoting the food | Primary aims of hub would be to support local food and |

| | | |
|---|---|---|
| | and drinks sector. | drink producers, as well as promoting the diversity of produce available in the county. |
| | Promoting a rich and diverse culture. | Food and drink is inherent to Welsh culture and cultivating the sector within the county, encouraging tourism / hospitality providers to use local produce would add value to the tourism sector and visitor experience. |
| **2. Food Tourism Strategic Action Plan** | Improving the branding and marketing of the Welsh food and drink offer. | A central hub would raise awareness about the food and drink offer in the locality, and add value to current activities such as the Mold Food and Drinks Festival and the Farmers Market. |
| | Marketing information about food and food outlets making it more widely available to visitors. | Creating promotional literature and information could be distributed widely via local community groups, tourism information centres, and visitor attractions so that both local consumers and tourists would be able to access information more readily about local food. |
| | Improve the capacity of existing food and tourism businesses to provide quality, locally produced food that is distinctive to their area, but in a way which provides for a sustainable, affordable and deliverable future. | Deliberate targeting and promotion of local food offer to hospitality, tourism and retail businesses. Encourage a change in purchasing patterns by demonstrating business benefits of local produce on the menu both financially and environmentally. |
| | Develop food supply chains | A central hub where businesses could purchase local produce as a one stop shop facility would make local food and drink more accessible. A pick up and delivery service would simplify the distribution of food and drink which has historically been a problem not only in North East Wales but across the whole of Wales. |
| **3. Local Sourcing Action Plan** | Support the development of food hubs | Establishing a food hub in Mold would address some of the distribution issues faced by small producers to get their produce to market; and also for businesses in terms of accessing local produce. |
| | Encourage producers to diversify to meet local demand and respond to consumer | Some producers may not be able to meet the demands of the hospitality and tourism sectors; the hub through joint |



| | | |
|---|---|---|
| | trends. | working would be able to identify new trends and the needs of businesses and assist producers to diversify. |
| | Develop local food and community projects | There is a synergy in creating consumer demand for local produce and working with community groups to raise awareness about local food and drink. The hub could be involved in the Community Food Co-operative Programme which encourages access to affordable fruit and vegetables by selling them at wholesale prices. Also community allotment groups could sell produce through the food hub. |

## 2.3 Conclusions

The following conclusions can be drawn from the evidence above including:

√ Establishing a physical centre as a food hub would meet a number of strategic objectives including stimulating enterprise; contributing towards business growth; add value to the tourism industry; support rural businesses; encourage sustainability; increased accessibility to local food and drink and develop food supply chains.

√ To demonstrate added value it would be important to include additional activities that the food hub would be able to undertake such as developing the capacity of the food and drinks sector; effective signposting of new or existing food and drink businesses to other business support packages available; joint working with other counties and cross border activities in England.

√ There is a specific commitment within the Welsh Assembly Government's Local Sourcing Action Plan to assist in the development of food hubs, which would subsequently be supported within the Rural Development Plan. As an explicit strategic commitment is already in existence, it will strengthen either a business plan or public funding bid submitted for consideration.

√ Any bids submitted for funding would need to ensure that the proposed activity wouldn't duplicate any current mainstream or regional activity; and that it wouldn't displace private sector businesse

# 3. Current Profile and Markets of Primary and Food Producers in Flintshire.

## 3.1 Introduction

In establishing a business case for a local food hub, it is imperative to gain a better understanding of the nature of food production in Flintshire which will:

- √ Provide a better insight into the amount and range of food and drink produce available in the county, and if there are any gaps in products or *food desert areas* which might need to be bridged in terms of sourcing.
- √ Current markets of both primary and food producers.
- √ Inputs used in food production and where they are sourced.
- √ Any future changes or trends they think will impact their business.

A telephone survey was conducted with 121 primary and food producers in the county, a copy of which can be found in Appendix 1. We were also able to gain the perceptions of business owners on their thoughts and attitudes towards local sourcing. In addition to highlighting the results of the survey, a database has been produced which includes details of all the businesses surveyed, which will be used as a source of information for communicating with food businesses in developing greater linkages between support organisations within the county.

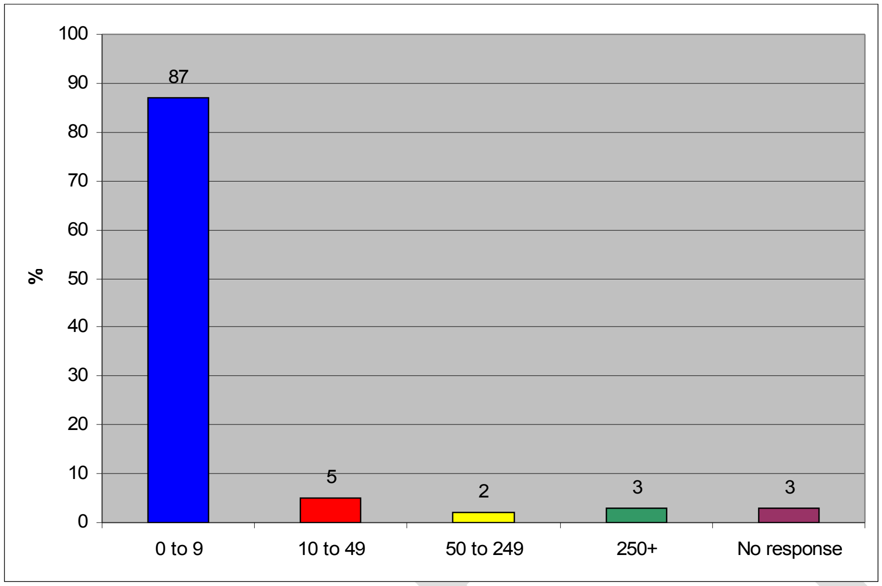
## 3.2 A Profile of food and primary producers surveyed

Out of the 121 businesses that completed the survey; 98 of the respondents classed themselves as primary producers and 26 were food producers. Some of the businesses classed themselves as both primary and food producers (i.e. farmers who have also diversified into food production). It is also worth noting that only 7% of the overall sample of respondents classed themselves as being organic producers. For analytical purposes the sample number used is a 121 unless otherwise stated.

When asked how many they employed, the vast majority of the overall sample at 87% employed between 0-9 as illustrated in **figure 1** below. This is no great surprise as the majority of the sample who responded to the questionnaire, were predominantly farmers who do not traditionally employ large numbers. Also farming is not a predominant industry in Flintshire in comparison to other sectors such as engineering, manufacturing, communications and retail[3].

**Fig 1**

[3] Flintshire Employment Strategy 2005-2010.




## 3.3 Profile of Flintshire Primary Producers

The study addresses the need to identify working farms and producers within the county and record what is produced and where the product(s) goes at next stage. By identifying the various produce produced by farmers and producers in the area, it was then possible to delve deeper into some of the associated issues which helped build a clear picture within the locality.

### 3.3.1 A General Profile

Of the 98 businesses that classed themselves as primary producers, **Table 2** ranks the type and number of responses recorded. Flintshire is dominated by beef, dairy, sheep and lamb production, but lacking in other food products that would be deemed as essential items to be sold in a food hub such as fruit, vegetables, poultry, pig and fish. It must be stressed that some primary producers have provided multiple answers as they produce more than one product:

**Table 2**

| | Primary Produce | No. of primary producers | % of overall sample (121 respondents) |
|---|---|---|---|
| **1** | Beef | 64 | 52.8 |
| **2** | Dairy | 40 | 33 |
| **3** | Sheep | 29 | 23.9 |
| **4** | Lamb | 10 | 8 |
| **5** | Vegetables | 6 | 4.9 |
| **6** | Wholegrain | 4 | 3 |
| **7** | Poultry | 4 | 3 |
| **8** | Pig | 2 | 1.6 |
| **9** | Buffalo | 1 | 0.8 |
| **10** | Fish | 1 | 0.8 |



3.3.2 Dairy & Egg Producers

We asked dairy producers to measure how much dairy products they produced, either in litres produced per annum or by the number of milking cows if they couldn't provide the volume. Whilst none of the producers identified themselves as egg producers in table 1, two noted that they either produced eggs or had laying hens.

**Table 3**

| **Primary Produce** | **No. of primary producers responded** | **% of overall sample (121 respondents)** | **Total no. of litres of milk produced per annum** | **No. of eggs** | **No. of laying hens** |
|---|---|---|---|---|---|
| Dairy & Eggs | 40 | 33 | 19,247,000 | 500 | 1200 |

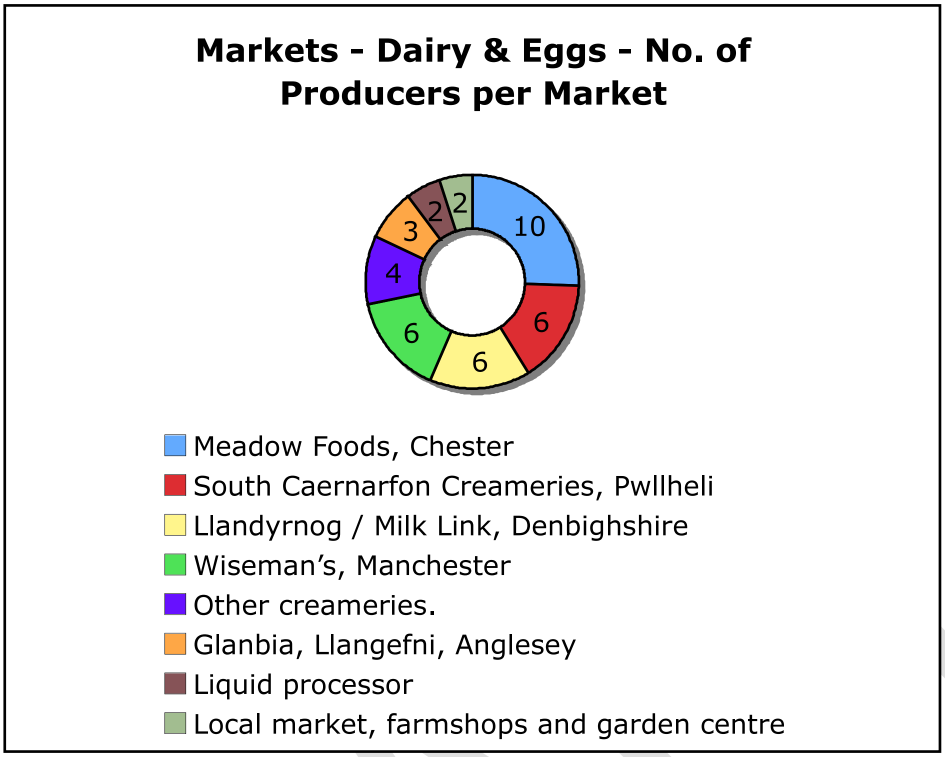
From the data provided, 24 Flintshire dairy farmers produce 19,247,000 litres of milk per annum averaging 801,958 litres per annum per farm. An additional 11 farmers preferred to note the size of their herd, with the smallest being 46 and the largest being 135 cows.

The dairy producers were asked **what** their main markets were for their primary produce, and a total of 39 out of 40 dairy and egg producers responded. As outlined in table 3 below, very little dairy produce is produced purely to be sold for the local market, with a large proportion leaving the county to be processed by the large dairies for distribution throughout the UK.

**Figure 2**






### 3.3.3 Red Meat Producers

We have included in this section data collated on the following red meat produce: beef, buffalo, lamb, pig and sheep.

64 primary producers (53% of the overall study sample) noted that they produced beef. The scale and levels of production varied considerably, ranging from the very small-scale level of farming with the lowest noting that they produced 4 cattle per annum with the largest being 1500. The average[4] levels of beef production from those surveyed are 109 heads of cattle per annum per producer.

A total of 29 primary producers noted that they produced sheep with 10 producing lamb. 36 farmers provided responses for the volumes they produced, 2 did not know as they farmed on a small scale and 1 provided an incomplete response. Again similar to the beef producers, the scale varied from the small scale farming where 15 sheep and 12 lambs were produced per annum to 1500 sheep and 2000 lambs produced per annum. In this case the median number of produce produced per farmer would be more representative rather than the average number, which is 200 sheep and 300 lambs per annum.

The remaining 2 red meat produce noted were buffalo and pigs, but account for a very small percentage of the produce produced in the county as production levels ranged from 4 to a 100 per annum.

[4] Please note that some responded stating that they produced e.g. between 150-200 cattle per year. To gain an average figure, we have used the lowest number stated in our calculations which will provide a more realistic number.

We then asked **what** their main markets were for their red meat produce, from the responses received the main markets are the livestock markets, auction or the abattoir. A large proportion of respondents (75) did disclose their main markets, but not the produce – this could be for a number of reasons such as not wanting to disclose the information, or the markets change frequently depending on market prices.

**Table 4**

| Primary Produce | Main Market | No. of producers responded |
|---|---|---|
| Beef | Livestock market (location not specified) | 5 |
| | Mold livestock market | 5 |
| | Abattoir | 2 |
| | Auction | 1 |
| Lamb | Livestock market (location not specified) | 1 |
| | Ruthin livestock market | 1 |
| | Mold livestock market | 1 |
| | Local butcher | 1 |
| | Colne Abattoir (Morrisons) | 1 |
| Sheep | Local market | 1 |
| Pigs | Abattoir | 1 |
| Produce not specified | Mold livestock market | 22 |
| | Other (including large food processors, abattoir, butcher and private dealer) | 15 |
| | Market (location not specified) | 16 |
| | Auction | 10 |
| | St Asaph livestock market | 8 |
| | Ruthin livestock market | 4 |

3.3.4 Other Produce

Table 7 below provides an overview of the remaining produce farmers / growers noted, and due to the small numbers it would be unwise to provide a median / average as not all the producers were able to provide full responses in terms of the levels o production. When asked what were the markets for the produce, items such as poultry, fruit and vegetables were more likely to be sold directly to the consumer or to retailers.

**Table 5**

| Primary Produce | No. of primary | % of overall sample (121 | No. produced per | What Market |
|---|---|---|---|---|

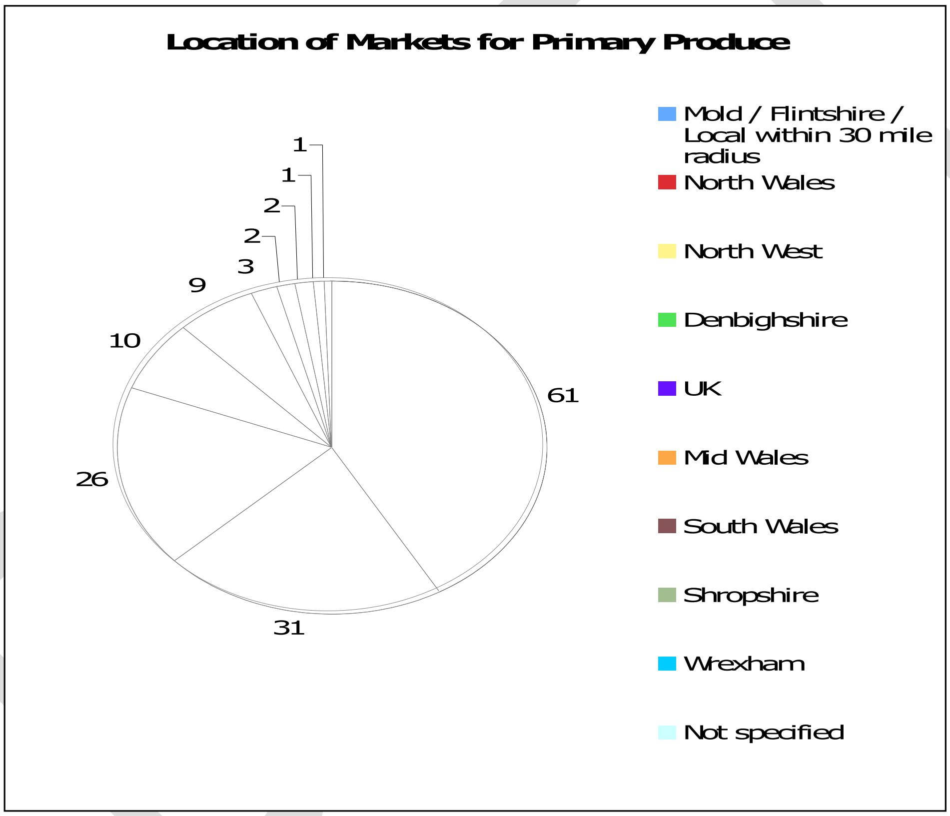
| | producers who responded per category | respondents) | annum | |
|---|---|---|---|---|
| Wholegrain / arable | 4 | 3 | 20 hectares<br>60 acres<br>100 tons<br>150 acres<br>200 tons | Not specified |
| Poultry | 4 | 3 | 150 turkeys<br>3000 turkeys | Private sales / consumer (x1)<br>Butcher (x1) |
| Fish | 1 | 0.8 | Not specified | Not specified |
| Fruit & Vegetables | 6 | 4.9 | 200 tons potatoes<br>400 tons potatoes<br>600-700 corn<br>600-700 fruit trees | Direct to consumer ( x1)<br>Direct to supermarket (x1)<br>Merchant (x1) |

### 3.3.5 Location of Markets

All the primary producers were also asked **where** their markets were, which provides more of an insight into how far produce travels to be sold. The following multiple choice answers were provided as prompts: Flintshire, North East Wales, North Wales, North West of England and the UK; but many respondents were more specific in terms of county / location with the responses illustrated in **figure 3** below. The chart below outlines the number of responses received for each area – please note that some producers noted multiple locations and therefore the actual number of responses is higher than the sample surveyed. The North West includes the following counties: Cheshire, Manchester, Wirral, and Lancashire & Cumbria.

With the responses for North Wales, we didn't group Denbighshire and Wrexham under North Wales, so as to provide a better picture of the size of the markets in nearby counties. A large proportion of primary produce is sold locally either in Mold, Flintshire or within a 30 mile radius; therefore we can assume that a high proportion of produce is sold through Mold livestock market from the responses provided to the previous question and is likely to be red meat due to the high proportion of beef / lamb / sheep producers that responded to the survey. Beyond the local 'hot spot', North Wales is the second largest market and the North West third. These results are unsurprising, but it is surprising that Denbighshire did not register highly in terms of market location, considering there are two livestock markets in the county namely Ruthin and St Asaph.

**Figure 3**




3.3.6 <u>Future Changes</u>

Finally we asked the primary producers if they anticipated any changes in future produce or markets and also provided prompts e.g. changing from beef to sheep, not selling through the open market and direct to the abattoir or adding value by moving into food production and selling direct. 97 out of the 98 primary producers responded with 78 stating that they did not anticipate any changes in future produce or markets. Of the remaining 19 respondents, 3 were retiring in the near future, therefore they were not looking to make any changes. 4 dairy farmers will be changing processors and the remainder provided a range of responses, with some looking to move away from food production and others looking to expand into other food produce:

i. *"Buy more poultry and expand into growing vegetables."*
ii. *"Poultry meat maybe, ducks."*
iii. *"Move into more production. Also opening a pub & restaurant in the area. "*
iv. *"Possibly thinking of starting doing free range eggs."*
v. *"More beef."*
vi. *"Intend to produce a lot more heifers and less beef."*
vii. *"Depending on how everything develops – only just gone back to working in the pig market."*
viii. *"Might move into forage crops."*
ix. *"Getting rid of potatoes and grain – not making any money from them."*
x. *"Going to stop doing the dairy."*
xi. *"Expand in a few years."*
xii. *"Yes – milk prices difficult. Going to concentrate more on caravan site / holiday cottages."*

As the majority of the primary producers that responded to the survey were farmers it is no great surprise that a high number didn't anticipate any changes in future produce / markets, as net farm income is set to remain relatively stable in the near future and has recovered significantly from the recession that was experienced within the sector at the turn of the last decade.[5]

From the responses above there doesn't seem to be a great appetite to move into food production or to add value to primary produce. It is widely reported in the press that the farming industry faces additional internal and external pressures, which may go some way to explaining why farmers aren't moving into food production or adding value to their produce. According to skills council **Lantra**, 41% of the agricultural workforce in the UK is over 50, almost half of farm owners and managers don't have anyone to take over the business, and over the next decade 60,000 new people will be needed to replace retiring workers. Added to this, farmers not only safeguard food security but also they are increasingly being asked and encouraged to produce biomass for power stations, produce energy themselves through windfarms and also take part in flood management schemes.[6]

## 3.4 Food Producers – profile of produce, markets and future trends

The study addresses the need to identify food producers within the county and record what is produced and where the product(s) goes at next stage. By identifying the various produce produced by food producers in the area, it has been possible to delve deeper into some of the associated issues, creating a better understanding of any gaps in terms of food and drink products, which would need to be addressed in terms of sourcing for the food hub.

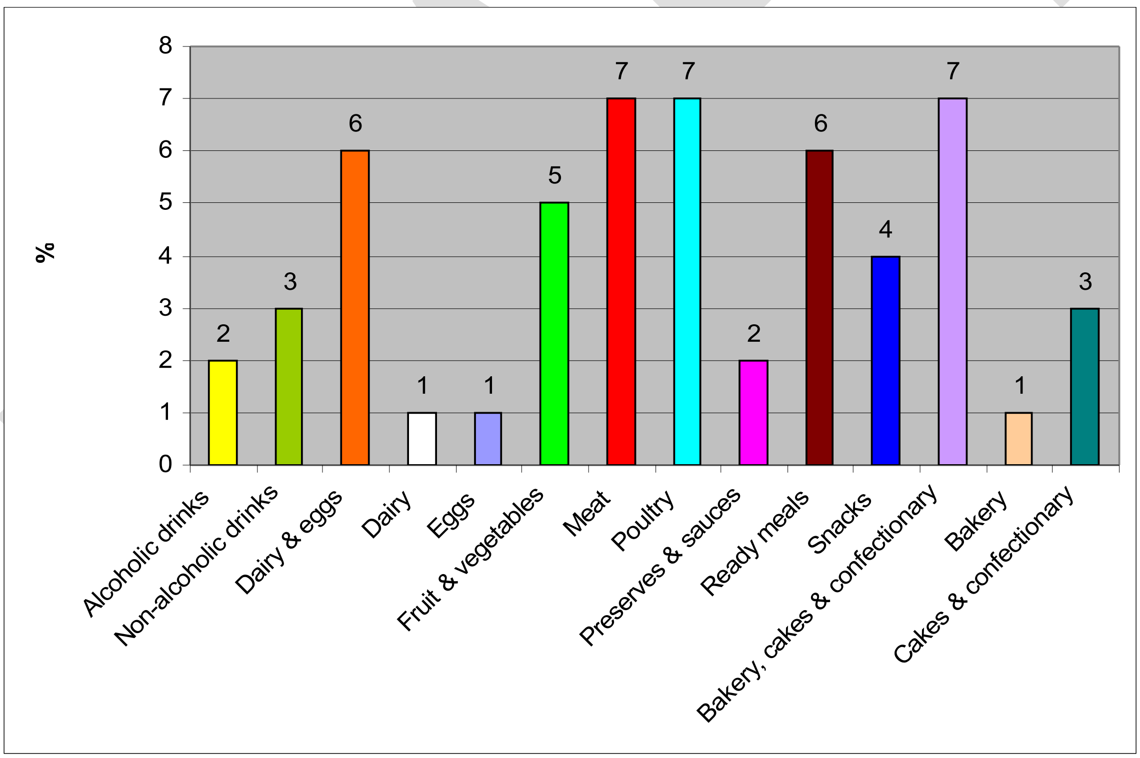
### 3.4.1 A General Profile

[5] www.ukagriculture.com
[6] www.skynews.com - 27th February 2010.

Of the 121 businesses that participated in the survey, 26 classed themselves as food producers, and of those 4 were farmers that had diversified into food production. Three of the farmers did so due to financial pressures and the fourth as they wanted to put something back into the community. The barriers they faced in setting up were no different to any other business start up which included financial, local authority regulations such as planning and environmental health, as well as the efforts required to establish their business and raising their profile.

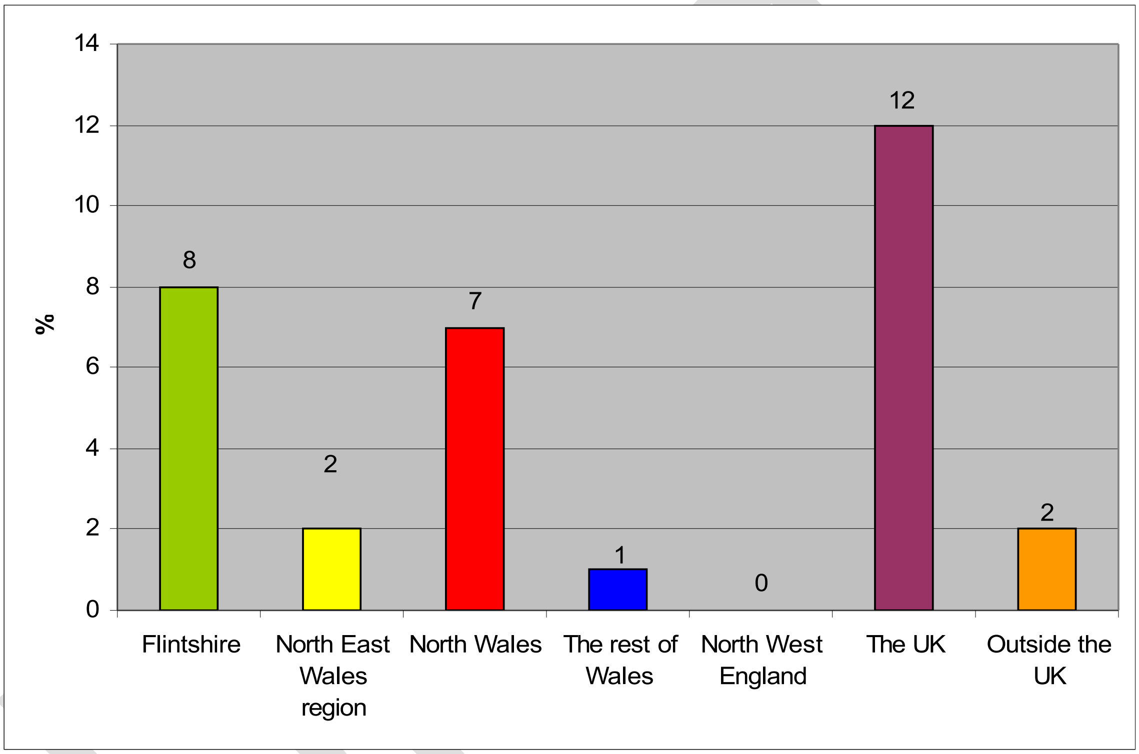
We asked food producers to categorise the food products they produce which can be found in **figure 4** below. Please note that the % figures noted is from the overall study sample of a 121 producers. All 26 food producers responded to the question, with 55 different categories noted demonstrating that producers tend to not just specialise / produce 1 food product. At the request of some of the respondents, we have separated some categories such as dairy and eggs as well as baked goods, cakes and confectionary. Overall the most popular type of food produce is baked goods, cakes and confectionary, followed by dairy and eggs, meat and poultry. It is no surprise due to the volume of primary producers / farmers in the county that produce such as dairy and meat are prominent on the list.

**Figure 4**




The food producers were then asked where their markets were and given a choice of the following destinations: Flintshire, North East Wales, North Wales, The Rest of Wales, the North West of England, the UK and outside of the UK. The %'s noted in **figure 5** below is from the overall sample of the whole study (121 respondents). A surprising response was that the most prevalent market was the rest of the UK, followed by Flintshire, with no responses for the north West of England. This could be as a result of the food producers' geographic perceptions of the north West of England. If they only consider the Wirral and Chester as the north West, then areas such as greater Manchester, Cumbria and Lancashire would have been categorised as the rest of the UK. Another reason could be that produce is sent to main distribution hubs that are situated across the UK, and sold through a number of outlets. The rest of Wales is not a prominent market, which could be due to a number of reasons including the cost of delivery, lack of awareness about possible markets in areas such as mid and south Wales and poor transport links between Flintshire and the rest of Wales, in comparison to north Wales and England. The only main market noted outside of the UK was Ireland, which is unsurprising due to the relative ease of access in terms of transportation.

**Figure 5**




The food producers were then asked to break down the % of their sales per market. The responses have been calculated in **table 8** below as an overall average of the total responses received. In terms of food produce sales, the local market in Flintshire is an important one followed by north Wales. Whilst the majority of producers noted, as demonstrated in figure 5 above, that the UK was a key market, the food producers sell more of their produce locally. It is interesting that the UK has been noted as a key market; could this be that they perceive the UK to be a more important market for their business than the local market? What couldn't be determined was which market was the most profitable / lucrative as this was outside the scope of this study; but the responses suggest strongly that there is demand for locally produced food.

**Table 6**

| Area | Av. % of sales per market | No. of respondents |
|---|---|---|
| Flintshire | 83 | 10 |
| North East Wales region | 37 | 3 |
| North Wales | 76 | 8 |
| The rest of Wales | 50 | 1 |
| North West England | 0 | 0 |
| The UK | 63 | 13 |
| Outside the UK | 25 | 3 |

We also asked the food producers to gauge if they anticipate any changes in future produce, inputs or markets. 27% of the overall food producer sample (7 food producers) responded stated that they did anticipate changes whilst the remaining 73% didn't (19 food producers). The following additional responses provide some indication of the changes the businesses anticipate in the near future:

i. "Getting into more delis, farmshops, hotels and restaurants."
ii. "No, there has been a push for organic but there isn't enough of a need for it."
iii. "Expanding into the internet market, therefore will hopefully sell more all over then."
iv. "Looking for more orders, therefore will go further afield."
v. "Continually evolving – need the money."
vi. "Thinking of doing food festivals next year."
vii. "We're looking at expanding the business."
viii. "Not really – variation in products maybe."

The comment about the organic food sector is interesting, as it has suffered as a result of the recession, with shoppers questioning the value of organic produce and the benefits they reap by paying a premium. This has also been qualified by leading market researchers such as Mintel, who have forecasted that the organic sector is unlikely to recover to the same levels of growth as seen between 2003 and 2008. On the other hand, Mintel reports that locally sourced produce has defied the credit crunch, with local shoppers wishing to support local businesses and farmers. With much more awareness about mass produced and highly processed food, consumers are now more savvy about wanting to know where produce is sourced, that it is of a high quality and fresh.[7] For those food producers that stated in the survey that they are looking to expand or change their markets; successful marketing of their business and products will be crucial, especially in a growth sector. Good business acumen along with the ability to position their business, brand, sell and promote their goods will ensure that their businesses will become more resilient to any future market changes.

### 3.5 Focus Groups Responses

Two focus groups were held so as to delve deeper and gain a better insight into the business issues primary and food producers face on a day-to-day basis. A total of 14 individuals (13 businesses) attended both sessions, which included:

- Farm shop

[7] www.telegraph.co.uk - Credit crunch hits sales of organic food.

- Buffalo producer – sells to retailers and direct to consumers
- Award winning caterers employing 8 staff
- Milk producer
- Grain, potato and lamb producer – runs a family business
- Milk producer who has recently expanded by purchasing an additional 70 acres of land.
- Potato grower
- Vegetable grower
- 3 farmers
- Award wining butcher and retailer
- Milk producer and cheese maker

Apart from a couple of farmers, the majority either sold direct to consumers, retailers or other local businesses. We asked the reasons why they sold specifically to these markets, and it was usually as a result of external issues pushing them to make business decisions. BSE and foot and mouth had been a driver for one to move into food production and retail, as he wanted a more secure future for his family. The majority of the participants agreed that being able to sell direct provided more control and freedom over pricing – they didn't have to rely on external buyers, auctioneers and the local markets to set prices and dictate the return they would get on their produce. One participant wanted more free time, but has found that he has had to recruit more staff to meet demand. Whilst the above are generally positive responses, the current economic climate, having to deal on a day-to-day basis with consumers and the general "hassle" of dealing with paperwork and legislation tend to be the downsides.

When asked if selling direct provides a better return, and whether the effort is worth it, on the whole the respondents were generally positive, but those that are both food producers and farmers found it a juggling act to balance the needs of both areas of the business. Others noted that selling direct was what they did best and stuck to that formula with the returns often a lot better. Whilst cutting out the middleman was always a key business objective, one business felt that they did have a place in his business if produce didn't sell. The cheese producer noted that he had good advice when starting his business, and vowed to never sell to the supermarkets, a decision which he has not regretted. The challenges he faces though is that he has a lot of capital tied up for up to 6 months until his produce matures.

## 3.4 Conclusions

The following conclusions can be drawn from the surveys, focus groups and data analysis above. Any %'s noted, are based on the overall sample of 121 respondents:

- √ Primary producers are much more prevalent in Flintshire and are micro businesses employing less than 9 employees and are non-organic.
- √ Key primary produce in the county is beef, dairy, sheep and lamb.
- √ The following primary produce is lacking in Flintshire and can be classed as food desert areas that require further development and would be unlikely from the amounts noted in the survey to sufficiently supply a food hub outlet: pigs, fruit, vegetables, poultry and fish.
- √ The majority of primary produce is sold locally within a 30-mile radius (61%) mainly through the local livestock markets and abattoirs. Whilst this can be seen

as positive in terms of sustainability issues, what cannot be measured is the food miles travelled from the markets and abattoirs to the processing plants.

- √ Primary producers didn't anticipate any major changes in future produce / markets.
- √ 26 respondents classed themselves as food producers mainly producing the following food: meat, poultry, bakery, cakes, confectionary, ready meals, dairy and eggs.
- √ There is a lack of alcoholic and non-alcoholic drinks, sauces and preserves producers in Flintshire.
- √ The predominant market for Flintshire food producers is the rest of the UK, followed by Flintshire and North Wales; but on average they sold the majority of their produce locally with the average percentage of sales in Flintshire being 83%. A food hub could contribute significantly as an additional route to a local market.
- √ From the evidence above, to secure the future of food production within the county, it could be argued that more needs be done to encourage greater diversification from primary production into food production to meet growing demand. Evidence from leading market researchers including Mintel forecast that it is likely that demand for local produce will grow as a result of consumer awareness about sustainability issues in relation to the mass production of food.
- √ For a hub to be successful and to sufficiently supply a wide range of produce, it would need to encompass producers from Denbighshire and Wrexham.
- √ From the % of sales noted in Flintshire, this would suggest that there is demand for local produce and that it is a potential growth market locally which could be tapped into.
- √ 7 of the food producers surveyed stated that any anticipated changes in their businesses are likely to be moving into new markets such as retail, tourism, hospitality; expand into the internet market; attending food festivals and business expansion.

# 4. Sourcing of Food and Drink – Viewpoints of Local Businesses and Stakeholders

## 4.1 Introduction

The survey with hospitality, tourism and retail businesses provided key information about the nature and range of Welsh / local produce used within their businesses, where they source food products and the reasons why they source locally. It also highlighted their perceptions as business owners as well as providing information on their customers and especially their thoughts and attitudes towards local sourcing.

## 4.2 A Profile of the hospitality, tourism and retail businesses surveyed

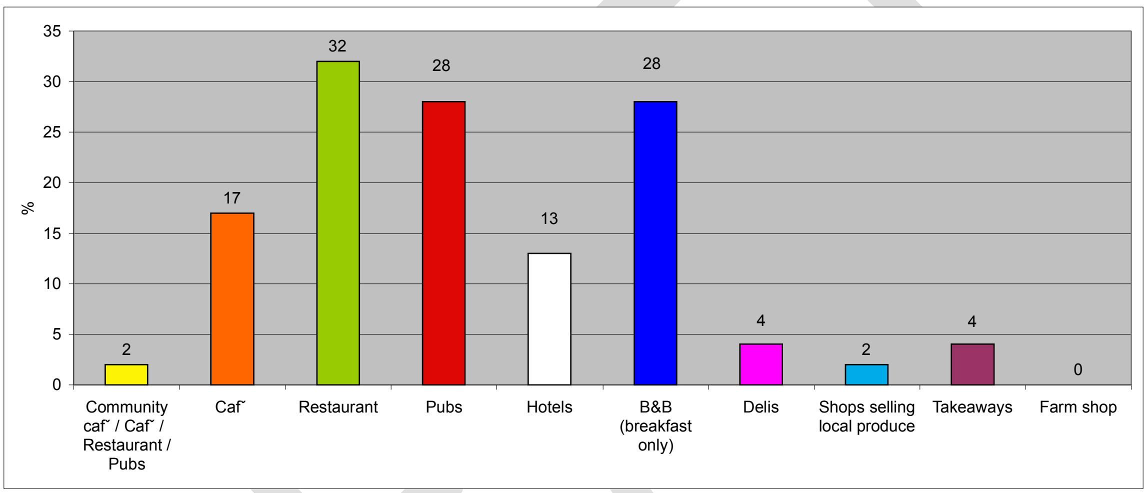
A total of 53 businesses were surveyed, and they were predominantly from Mold town and the immediate vicinity, with **Figure 6** below illustrating the range of businesses that were surveyed. Please note that whilst 53 businesses took part in the survey, they noted more than one business category (e.g. pub with rooms providing bed and breakfast), which is why the total % of the graph below is in excess of 100%. In terms of the size of the businesses the majority, 73.6% of the whole sample, were micro businesses employing between 0-9; 24.5% employed between 10-49; 1.9% employed between 50 and 249 with no businesses employed in excess of 250.

## 4.3 Sourcing / Inputs

The survey developed an understanding of what proportion of locally produced produce was bought by the businesses. This is particularly important when considering the issue of local sourcing, especially as it helps develop a better understanding of what emphasis there is on sourcing locally produced food materials as inputs. This information was provided by businesses through approximate percentage values.

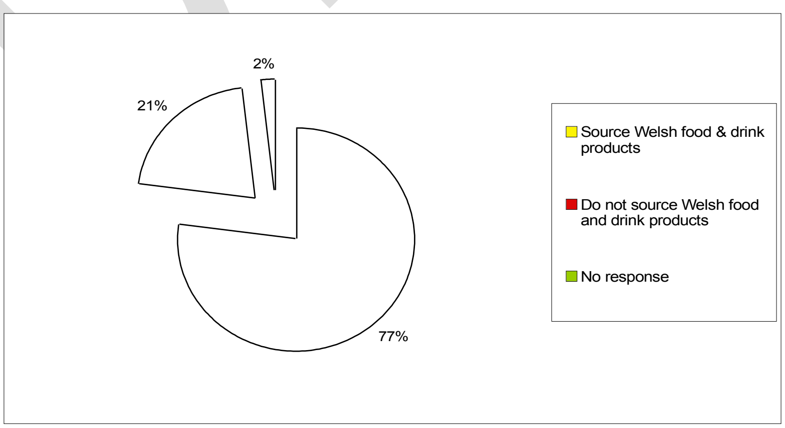
Despite providing an insight into the purchasing behaviour of businesses in the area, it must be stressed that this aspect of the survey proved problematic for many respondents. We identified the need to be very cautious when collating information surrounding product origin as it emerged at an early stage that there was some misconception relating to the term. Many respondents for instance reflected on where they had bought the produce instead of referring to the area in which it was produced. Due to this confusion, where appropriate, we took the opportunity to probe some respondents on where they had purchased the produce.

**Figure 6**




When businesses were asked if they sourced Welsh food and drink products, 52 out of the 53 businesses surveyed responded, and therefore the % illustrated in **figure 7** below represents the 52 respondents. The vast majority, 77%, stated that they sourced Welsh food and drink products, which is a very encouraging and positive response.

**Figure 7**

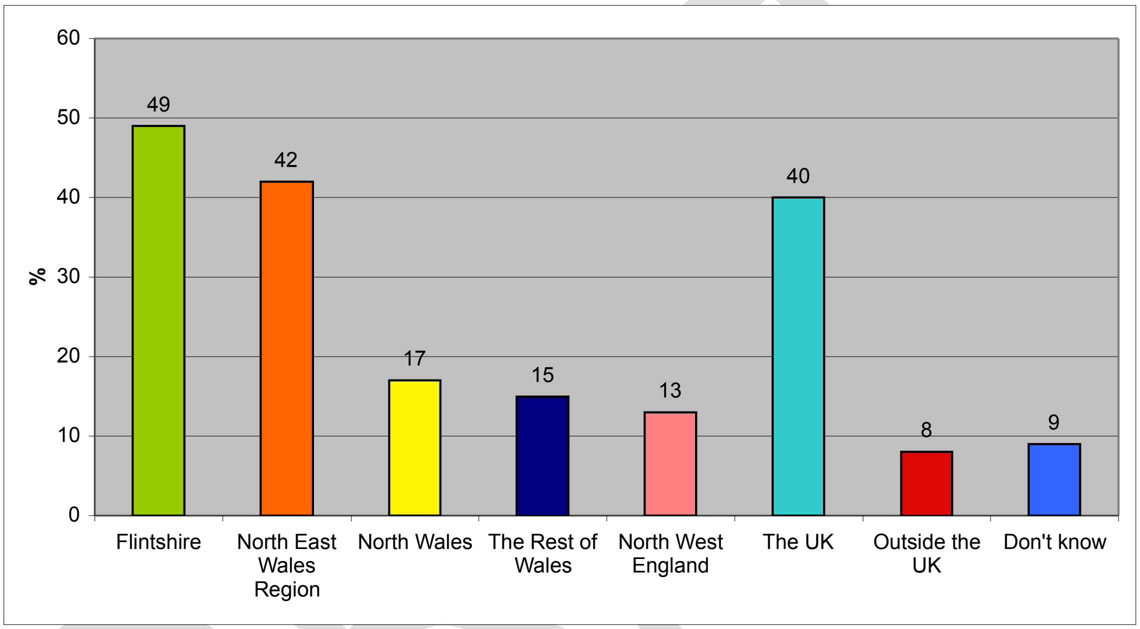


To provide a more accurate picture of the businesses sourcing patterns, they were asked to specify where their produce / supplies were grown and produced. 41 businesses responded to the question and the statistics quoted below in **figure 8** are the % of the respondents from the whole sample of 53 businesses. The majority of businesses provided multiple answers and therefore the total number of responses exceeds 100%.

The vast majority of the businesses surveyed, responded that they sourced produce / supplies that were grown / produced in Flintshire and North East Wales, with the rest of the UK coming in third.

**Figure 8**




4.3.2 <u>Purchasing</u>

Certainly, on immediate analysis, figures seem very positive towards sourcing locally produced food as illustrated in figure 8 above with 49% of the overall sample noting that some proportion of their materials stem from the Flintshire area; closely followed with 42% noting the north east region and 40% the UK. As mentioned earlier, there was some ambiguity by some businesses as to the origin / source of the produce they purchased. To gain further insight we asked businesses, if they used local and / or Welsh products, where they sourced their inputs i.e. where did they buy them.

All 53 businesses responded to this question, and nearly the whole sample apart from one business sourced their produce from more than one supplier. The results are very encouraging, in that the majority of the sample noted that they sourced their local / Welsh produce locally i.e. within Mold or local village, such as the butcher and greengrocers. Some of the respondents who noted their local supermarket did state that they couldn't be totally sure whether the produce they purchased was local or Welsh. Some of the businesses that purchased drinks wholesale did note that they were from

Brains brewery. 5 businesses grow their own fruit and vegetables and 4 made their own bread and jam; which they felt was greatly adding value to their menus and to the overall visitor / consumer experience.

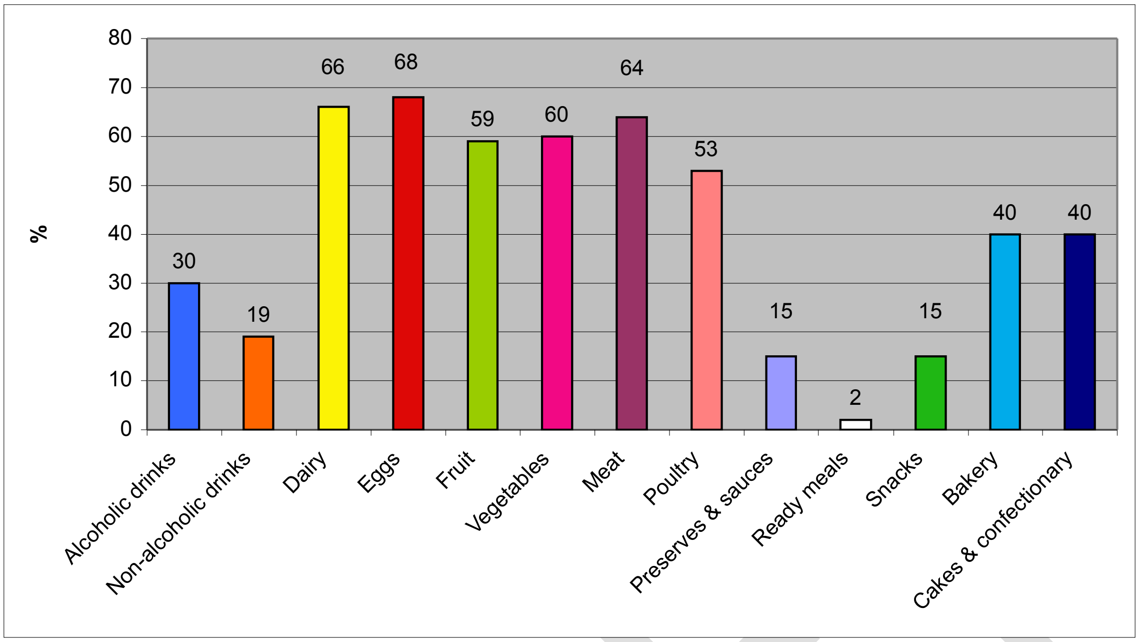
A word of caution and some ambiguity could be levelled as to where the produce was made amongst those respondents who noted that they purchased local / Welsh produce on the high street, wholesale and the cash and carry. Again could they be referring to the place of purchase rather than where the produce is sourced? The term 'high street shops' is also used commonly for the large chains / supermarkets also, so there could be some variances within the responses received as to whether respondents meant locally owned shops or high street supermarkets, and the proportion of local/Welsh produce bought. Table 7 below ranks the responses:

**Table 7**

| Where they purchased local produce | No. of respondents |
|---|---|
| Local butcher | 25 |
| Local greengrocers | 12 |
| Local High St / Local shops | 11 |
| Supermarkets | 8 |
| Grow my own fruit / veg | 5 |
| Wholesalers | 4 |
| Primary producers / farmers | 3 |
| Make my own bread, jam | 3 |
| Edwards of Conwy | 3 |
| Local market – Flintshire | 2 |
| Delivered wholesale e.g. drinks | 2 |
| Cash & Carry | 2 |
| Blas ar Fwyd | 2 |
| Other / don't know Local brewers | 4 |

We asked businesses to be more specific about the type of locally grown / produced food and drink they use within their business. 41 businesses responded but provided multiple answers as the majority used more than one product. As illustrated in **figure 9** below the most commonly locally sourced produce are eggs, dairy and meat; then followed closely by vegetables and then fruit. The prevalence of the produce purchased match relatively closely to where they are purchased as highlighted in table 7 above. As dairy produce was not split into sub categories, the largest proportion of product purchased is likely to be milk. Again if this is purchased in the supermarket, it is likely to be branded as Welsh milk rather than being from Flintshire or north east Wales.

**Figure 9**



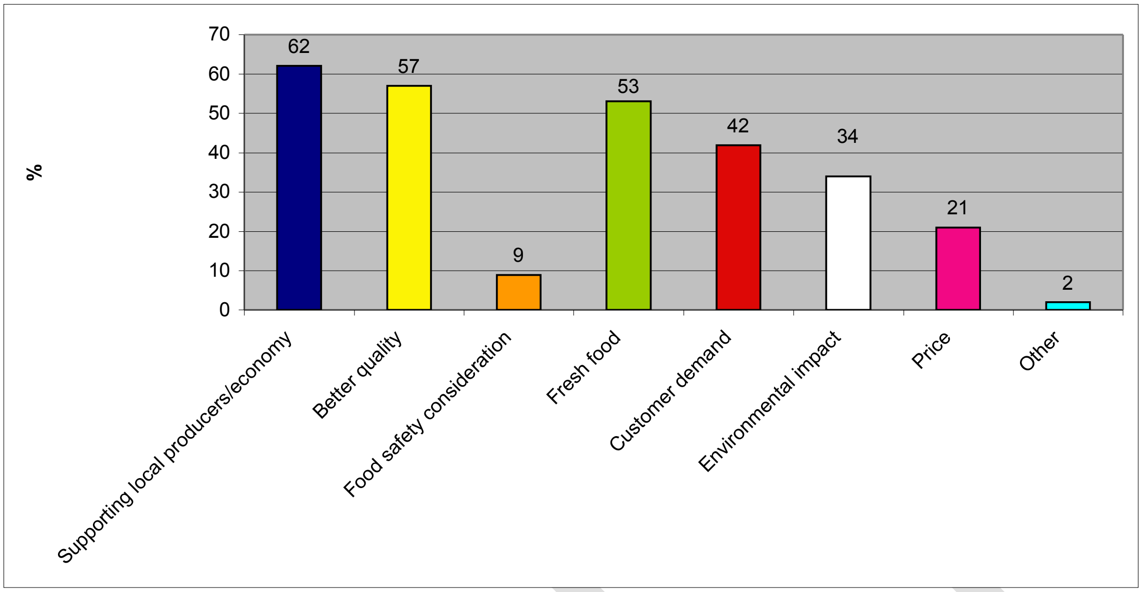

The main drivers for purchasing local / Welsh food and drink products amongst the tourism, hospitality and retail sectors were to support the local producers / economy (62% of the overall survey sample of 53 businesses), with 57% feeling that local/Welsh produce was of a better quality and 53% stating that the produce is fresher. Businesses were able to provide multiple responses if they wished. The responses echo the research conducted by Mintel as quoted earlier in the report, which was conducted amongst consumers. Businesses in Flintshire seem to have an awareness of the recent trend in consumers seeking out more locally sourced produce on the menu. One business noted:

*"Customers prefer local produce in food goods. Increases business popularity."*

What could not be judged from the survey is the range and amount of local / Welsh produce used and stocked in their businesses. As a large proportion of those surveyed were micro businesses employing 9 people or less, volumes purchased could be low.

**Figure 10**

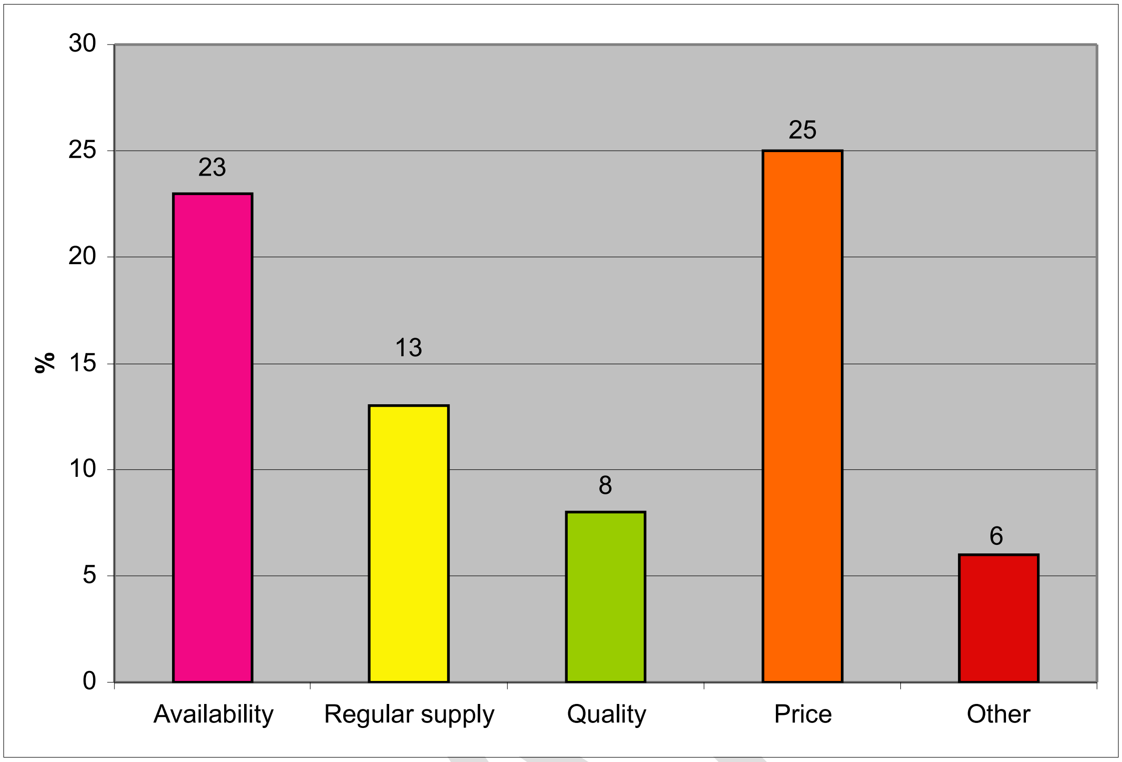
 




4.3.4 Sourcing Issues

Historically there have been real and perceived issues with regards to sourcing local food and drink, from price, availability locally and sufficient supply to meet demand. The Welsh Assembly Government aims to address some these issues and increase accessibility – both to businesses and consumers - to fresh local produce through its 'Local Sourcing Action Plan'. We asked the businesses in this survey whether they had experienced any sourcing issues when it came to purchasing local and Welsh produce. 40% of the whole sample surveyed had experienced problems, and when asked what the main issues were, price was a key factor, followed by availability and regular supply. The numbers noted in **figure 11** below are a % of the whole sample (53 businesses). One business noted that as some produce came from Conwy, the travel costs increased prices; and another stated that they had difficulty sourcing locally grown vegetables. The issues raised are not unique to Flintshire, and whilst there is growing demand for local produce; as we are coming out of a recession, hospitality, retail and tourism businesses can only pass on a certain percentage of added costs when consumers have only a certain amount of disposable income to spend.

**Figure 11**




When asked if they anticipated changes in their sourcing strategy, 23% of the overall sample responded that they foresaw changes in the future with the majority at 66% not anticipating any changes. The remainder failed to respond. Eight businesses wanted to source more local and Welsh produce, but for some the price had to be reasonable to do this. Three businesses noted that any changes would be in response to external pressures as the current economic climate has forced them to source cheaper produce, with one stating that they would continue to source cheaper food and drink. Two businesses noted that they don't have the time to source local produce and as there is no directory available, therefore accessibility to local information was an issue. Another four stated that there is unlikely to be any changes in their sourcing strategy as the range of local produce is insufficient; price constraints was a big issue and supermarkets seem to provide better value; another had no desire to change any aspect of the business whilst the fourth business might change if there was consumer demand for more local produce.

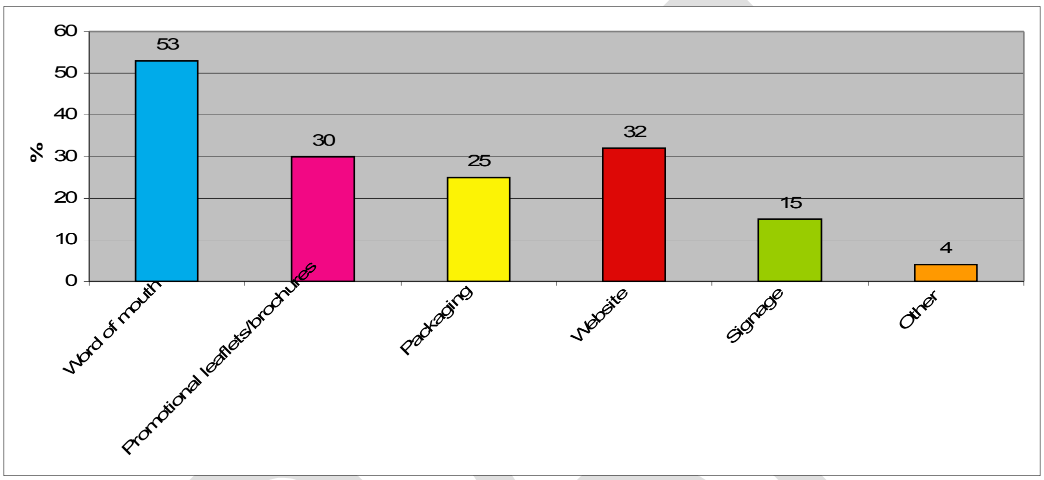
There seems to be two constraint factors that came through quite clearly when businesses were questioned further. Price seems to be an issue for many of the respondents, even for the businesses who stated that they wish to source more local produce, as it would need to be at the right price. There also seems to be a perception that local and Welsh produce is more expensive; and that there is a limited range of local and Welsh produce available. These issues could be purely down to perception, and if this is the case then the local food producers may not be promoting their produce effectively to local businesses. Also it would seem there is a greater need for more information to be readily available in the form of directories about the range of local and Welsh produce available.

4.3.5 Conveying the message

The survey seeks the views of businesses on the best way of drawing attention to the fact that they had local produce on offer; with specific interest in how cafes, restaurants, pubs, hotels, guesthouses, B&Bs and retail stores achieved this. Businesses were able to provide multiple responses to the questions, and the % figure for each response is based on the overall sample of 53, which is illustrated in **figure 12** below.

**Figure 12**




The majority used more than one promotional technique with word of mouth, followed by the web and promotional leaflets and brochures being popular methods of promoting local / Welsh produce. It was surprising that no one noted during the survey that they used their menus or their staff as a method of promoting their use of local produce; and only one business stated during the focus group that they used their menu as a way of promoting local produce. Two businesses noted 'other' as their responses, and stated that they couldn't draw attention to the use of local produce as it is not available all year round and so didn't consistently use Welsh products: "The Food Standards Agency will not allow advertisement if produce is not locally sourced all year round."

4.3.5 Focus Group Responses

Two focus groups were held so as to delve deeper and gain a better insight into various issues relating to the food and drink sector in Flintshire. A number of topics were covered (a copy of the discussion guide can be found in Appendix x) including attitudes towards sourcing local and Welsh produce. A total of 7 individuals (5 businesses) attended both sessions, which included:

i. A pub
ii. Farm B&B
iii. Café
iv. Hotel & Restaurant
v. B&B

It became apparent at the start of the discussion that all the businesses had faced some challenging business issues over the past 12 months such as the economic climate, de-motivated staff, problems with the banks and lack of finance to promote themselves adequately. 5 out of the 6 businesses had to keep evolving to remain in business by making improvements, introduce new menus regularly, upgrading facilities and creating new services.

The majority of the business felt that local sourcing was important to them and to their customers as they ask where produce is sourced. One business noted that fish and vegetables could be a problem - even though they purchased from the smokery in Llandudno and the local greengrocer, he could not be a 100% sure of its origin. Whilst cost is an always an issue, one business commented that consumers are willing to pay a little bit more if they know where the food has come from. Another commented:

*"Customers like that you've gone to a certain amount of trouble to source and provide local food, e.g. milk, bacon, sausages. And quality of local food tends to be better also. But price-wise it will cost a little bit more, but it's not an awful lot."* ***B&B owner.***

Food safety was more important to one respondent, who noted that the Environmental Health Department check where he sourced his products and therefore he needed to be confident that the producers adhered to the required standards.

The main benefits of sourcing locally were that customers came back if they knew they are getting quality food; but as one B&B owner noted if they were aiming for a different market and charging less per night then the quality of the food would be completely different. The Visit Wales graders are also interested to learn if local produce is used within the business, so this could be seen as an added incentive for accommodation businesses to source more Welsh produce.

When asked about accessibility of local / Welsh produce, there were some mixed responses. It was agreed that a directory of local producers would be very useful and also a delivery service formed as a co-operative by the local producers. One business noted that Tesco provided everything under one roof and you could pick your own produce, where if items are delivered you tend to get what you are given. Comments were also made that businesses didn't know where to access local produce as the profile of local produce in the north east is not as high as for example in Snowdonia:

*"Unless you know it exists, you don't find out about them very easily. You need to go to food festivals to find out more."*

One business commented that some local producers or farm shops are very expensive, and the same products are available from Tesco, but much cheaper; whilst another noted that some producers didn't promote themselves sufficiently:

*"Some producers don't advertise, so it's inconvenient. And the farmers' market is only held once a month, it's hidden away, and it seems to be aimed at shoppers – they don't approach the businesses."*

#### 4.3.6 Responses from Stakeholders

As part of the study we consulted with 12 local stakeholders to gauge their views on different aspects relating to the strengths and weaknesses of the food and drinks sector in Flintshire; businesses support for farmers and producers; sourcing local and Welsh produce. A copy of the discussion guide can be found in Appendix x at the end of this report.

We were initially provided with a list of around 40 possible stakeholders. When contacting them to explain the survey / nature of the work and to book a time slot to conduct the survey, a large proportion didn't feel that they were in a position to answer the questions fully or felt that the project was not relevant to them / their organisational activity and therefore didn't want to take part. Some organisations that had agreed to undertake the survey, didn't want to complete it once they had a feel for the topics under discussion, again as they felt it wasn't of relevance to their area of work.

Six of the respondents were either public bodies or linked in some way delivering services for the local authority; two organisations provided advisory / public information services; two were interest groups / representative bodies; Young Farmers Club and a private enterprise.

We asked stakeholders their views on issues relating to sourcing local produce. Three noted that availability was an issue, and whilst there are local produce available it isn't easily accessible and more needs to be available in the local supermarkets. Two organisations noted that it can be difficult with regards to procuring for local food and drink, especially the legal issues involved and that it can be difficult from their perspective when undergoing a tendering process. Additional comments were made regarding the price perception that fresh is more expensive as well as the unwillingness of farmers to diversify; therefore the range of local produce is limited. When asked about sourcing Welsh produce, the issues discussed were very similar such as awareness of the produce available; public procurement and continuity of supply.

When questioned further about the issues of using local produce, price was the main issue for seen respondents followed by regular supply. It was noted that more work needs to be done to improve the pricing perception of local produce so as to encourage more consumers to buy:

*"There is a public perception that the price is high for local produce. Labelling at point of sale needs to be improved. People are willing to support local suppliers subject to price and also if they know what they are buying." Public sector body respondent.*

Educating consumers on the seasonality of produce and cooking skills was also commented, mainly to manage consumer expectations that not all local produce is available throughout the year and to encourage more awareness of environmental and sustainability issues.

Not all the respondents were able to state where their organisations purchased / sourced local and Welsh food and drink produce as this would usually be done centrally for those working in the public sector and therefore out of their hands. For those that were able to purchase food and drink, the majority would use local caterers or stipulate within contracts for larger catering organisations that they source produce local or Welsh produce. When asked if any of the stakeholders anticipated any changes in future sourcing, two noted they continually strived to improve their purchasing methods and source locally. Three were unsure, with one noting that they tried to get the message across about the importance of local sourcing to their employer. As the majority of the stakeholders were employees, sourcing issues were usually devolved to the procurement department, and whilst some tried to influence their employers purchasing habits, there was very little they felt they could do unless they were purchasing for special occasions such as buffets or prizes for competitions.

## 4.4 Conclusions

From the data above we can conclude the following findings. The %'s noted are based on the overall sample of respondents which was 53 businesses unless otherwise stated:

- √ Restaurants, pubs and B&B's are the most likely businesses in and around the Mold area to purchase local produce, and therefore would be key target markets for any food hub.
- √ 77% of all businesses surveyed stated that they sourced Welsh food and drink products for their business.
- √ When asked 49% of respondents (based on a sample response of 41 businesses) sourced their produce that were produced or grown in Flintshire, with 42% sourcing produce from North East Wales.
- √ Local businesses purchase their local produce from their local butchers (25 respondents); local greengrocers (12 respondents) and local shops (11 respondents).
- √ Most commonly purchased local food and drink products by local businesses are eggs, dairy, meat, vegetables, fruit and vegetables.
- √ The main drivers for purchasing local / Welsh food and drink products by 62% of the sample is to support the local economy / producers; 57% felt that the quality is better with 53% stating that the produce is fresher and 42% stated that consumers demand local produce.
- √ Key issues and barriers to sourcing local produce noted by the sample include the price (25%); availability (23%) and regular supply (13%).
- √ There is a perception that Welsh produce is more expensive.
- √ During the survey and focus groups, it became inherently clear that the ease of purchasing food and drink was important such as having everything under one roof and access to a directory of local producers. No doubt this would be a factor in determining whether local businesses would use a local food hub.
- √ The majority of businesses when surveyed used the following techniques to promote the use of local produce in their businesses: word of mouth 53%, website 32%, promotional literature 30% and packaging 25%. No respondents in the survey noted their menus.
- √ The business benefits of using local produce noted by the businesses include, meeting consumer demand; potential for repeat business and to satisfy Visit Wales graders during assessment visits.
- √ Purchasing of food and drink out of the hands of stakeholders who may have a devolved procurement processes; but aim to buy local if they are responsible for organising one off meetings and events.



## 5. Local to Mold Food Hub – Research Findings

As well as gaining an overview of the range and nature of food and primary producers in Flintshire, another important element of this study was establishing a business case for a food hub in Mold. Desk research has been undertaken looking at various definitions of food hubs as well as examining case studies of various models that have been successful in England and Wales. Primary research was also conducted with the following during the fieldwork stage:

- Primary and food producers; as part of the telephone survey and focus groups
- Businesses in the hospitality, tourism and retail sectors; as part of the telephone survey and focus groups
- Stakeholders; as part of the telephone survey

This chapter will explore: the definitions of a food hub; various food hub models; analysis of the survey and focus group findings and business support requirements to encourage the sustainability of the food and drinks sector in Flintshire.

### 5.1 Definition of a Food Hub

There is some debate about the exact definition of a food hub, as various models have been established to meet different business, social, health and community needs. Sustain, the Lottery Funded alliance for better food and farming have defined a food hub as being:

*"..an intermediary led by the vision of one or a small number of individuals which by pooling together producers or consumers adds value to the exchange of goods and promotes the development of a local supply chain. This value added may be gained through economies of scale, social value, educational work or services. In other words, the pure function of distribution is only one element of the hub…which may be contracted to a third party. The hub may also provide a means for public sector services*

*to reach disadvantaged communities, provide a space for innovation and act as a focal point for developing a political agenda around an alternative food system.”*[8]

A study undertaken by Cardiff University[9] on behalf of the Welsh Assembly Government defines a food hub as being a co-ordinating function that acts as an intermediary that promotes the local food offer (i.e. suppliers, growers, farmers and processors), to various target markets including retailers, food service firms, public sector buyers and/or direct to the final consumer. Another function of a food hub that the study offers is as an ‘introduction agency’ between producers and various actors in the food supply chain. This would purely be a facilitation role, introducing producers to potential buyers, which would be a useful support link for producers wishing to expand and target new markets. The same study concluded that more support was required to maintain and strengthen the role of entrepreneurs in establishing food hubs as they develop efficient commercial operations that can react to changes in the market. Public sector responses should be in developing the capacity of suppliers who may lack experience or are disadvantaged in other ways to develop more advantageous commercial relations. Also they saw that public sector interventions could also assist public sector organisations to be more inclusive in their procurement practices and encourage communication with smaller businesses.

#### 5.1.1 Additional Considerations

The structure of a food hub is an important consideration, and whether or not it would add value to the agri-food system and the supply chain in Flintshire. Dependent on current gaps or constraints within the local supply chain, the structure could be a partnership between various food businesses either as a commercial venture or social enterprise. It could also be part of an existing organisation that is involved in the food chain either as a producer, distributor or retailer. The scale of the food hub in terms of its physical presence could also vary from being purely a distribution function; warehouse / wholesale; retail on the high street or as a centre of excellence to develop the capacity of the food and drinks sector in Flintshire / North East Wales.

Other practical considerations also are:

- The types of produce that would be on offer – there would be additional considerations with regards to fresh produce as opposed to food and drink that has a longer shelf life
- The range, volume and quality of food and drink that could physically be handled and also that there is sufficient supply and variety to meet demand, be it for commercial businesses or consumers.
- The local market and the demand for local food, especially if looking to target the consumer market. What is the local consumer profile? What are they likely to buy and the price they would be willing to pay for food and drink.
- Defining local food – any hub needs to be financially viable and sustainable; would providing strict boundaries / limitations in terms of sourcing inhibit its commercial potential?

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[8] Sustain: An investigation into the workings of small-scale food hubs.
[9] Food Hubs: The ‘Missing Middle’ of the Local Food Infrastructure? BRASS Centre, Cardiff University 2008.

## 5.2 Food Hub Models

Below are seven examples of different hubs that are currently operating in the UK, but as noted earlier, defining food hubs can be difficult so there are likely to be more examples in operation. The examples are categorised as Retail Led, Public Sector Led, Public Funded, Private Sector Led, Co-operative Led, Wholesale Led & Community Led.

### a Retail Led – Asda Regional Food Hubs

Since 2002 Asda have their own hub network that provides opportunities for small suppliers who wish to supply Asda, but remain small and not have to go through their usual UK wide infrastructure. This provides some element of control for local producers in terms of managing their business growth, whilst also providing valuable brand exposure at a local level but in supermarkets. There are 9 hub networks covering 13 British regions, with some producers supplying products to as few as 5 stores and others going on to expand their businesses as a result.

The role or functions of the hub are to co-ordinate deliveries from producers, manage the administration and the negotiation between the producers and Asda. Some of the hubs have been set up with established distributors whilst others have been set up purely to service Asda. The range of producers / suppliers vary between different hubs from 7 producers to 27, with various product lines being stocked. Producers will no doubt have had to change some of their business practises as a result of having such a large retailer as a customer; and considering the ranges and product lines stocked by Asda, the hubs provide a very small percentage of stock which in itself can be seen as unbalanced. On the other hand, this type of arrangement by a large supermarket is very rare but does provide a relatively secure trading relationship. To support the hub network, other activities are held by Asda such as 'Meet the Buyer' events, a blog http://aislespyblog.asda.com/local-sourcing and presence at major agricultural shows across the UK.

### b Public Sector Led – Shropshire Food Enterprise Centre

The Heart of England Fine Foods (HEFF) has won a contract by Shropshire County Council to manage a new £7m new centre of excellence at the Shropshire Food Enterprise Centre at Battlefield Enterprise Park, Shrewsbury, which is a purpose built unit that supports start up and growth businesses. There are 12 purpose built units for start-ups and growth businesses, which also offers expert advice and support across all areas of the food and drinks industry: technology, innovation, supply chain development and marketing. The centre also has conference facilities and a demonstration kitchen allowing producers to showcase their produce, undertake focus groups and product development. The production units are 1,500 sq ft and 3,000 sq ft with equipment that meet the required standards.

HEFF aim to develop the facility as a centre of excellence and a business hub for the food and drinks industry in the West Midlands. They have also developed a delivery service in partnership with logistics company Heart Distribution, providing a more effective route to market providing a simple one order, one delivery, one invoice approach which has been welcomed by the food retail and food service companies. The aim is to make local food more accessible and reducing food miles in the supply chain, which has won an award for sustainable distribution in 2009. They currently have a 105 producers and 350 multiple / independent customers using the delivery service, and cover Staffordshire, Herefordshire, Worcestershire, Warwickshire, Birmingham and the Black Country. In addition to the centre they also provide support mechanisms such as Meet the Buyer, their Savour the Flavour scheme, which rewards local retailers for expanding local food stock by supplying branded display equipment such as chillers and small drinks fridges for hotel rooms along with a local food guide. They also provide a market intelligence service free of charge to food and drink producers and work in partnership with relevant organisations to deliver support services to pool resources.

As with any public sector led projects, it is usually dependent on access to finance, which is either reviewed on an annual basis or for a fixed term period. This can make sustainability tricky especially if cuts in funding are made and it is wholly dependent on public funding, which makes continuity of service beyond the funding period unlikely unless strong exit strategies are in place.

c Public Funded – Pembrokeshire Produce Direct

'A model for the rest of Wales' – that's how a Pembrokeshire website selling more than 2,000 fresh local products has been described by the Minister of Rural Affairs, AM Elin Jones. The website www.pembrokeshireproducedirect.co.uk allows customers to order local food and drink on the internet and have it delivered directly to their door. The initiative – the only one of its kind in Wales – is one of Pembrokeshire's success stories of the past 12 months. As well as scooping three major awards, the number of producers has almost doubled, and orders have been received from as far afield as London, Derby and Newcastle.

The co-operative of over 70 West Wales food producers is based at Bethesda, near Narberth. James Ross, General Manager, said that since their launch in June 2009, they have made 2,500 deliveries to customers from Cardigan to Newcastle Upon Tyne. Deliveries are made once a week to homes, the workplace, schools and organisations or there is an option to order from a catalogue. The scheme is funded through the Supply Chain Efficiency Scheme, under the Rural Development Plan for Wales and has attracted nearly £794,000 of funding from the scheme for a 3-year period, from January 2008 until December 2010; as well as securing additional funding until 2015. This will be regressive i.e. the amount of public funding will reduce per annum until the end of the funding period.

The website's products range from local cheese, meat, fish, bread and vegetables to dairy produce, preserves, confectionary, delicatessen goods, bottled drinks, and many more. Produce from Pembrokeshire, Ceredigion and Carmarthenshire are sold, and producers can also access marketing support through the initiative.

Following discussions with the General Manager he stated that the business is on target to becoming self-sufficient by 2016, and they are performing to the sales targets set within their business plan. He believes that the key to their success is the range of produce available and effective targeting of various consumer audiences e.g. those interested in sustainability / environmental issues; older people who value food provenance and have a heightened awareness of traceability issues. A mixture of promotional campaigns are utilised to promote the service including advertising in the press and radio; direct marketing and PR. Winning the Wales the True Taste award has been beneficial as a promotional tool and they have capitalised on the support and publicity available as a result.

### d Private Sector Led – Bank Farm, Kent

Bank Farm started as an egg producer, and realized they could sell more produce alongside the eggs and developed the business to be a local food hub. The hub offers a route to market that many of the producers would not have the capacity to access on their own. The aim is to get as many 'Best of Kent' produce into markets across the South East of England, and customers include supermarkets, food service companies and public sector catering establishments. They have two main criteria – the produce has to be of a high quality and produced in Kent. Bank Farm believes that the model they have developed is unique; as well as being producers and having a working farm, they also have developed a wealth of knowledge of the three main large scale markets and understand their demands. They are developing the business and replicating the hub model in Hampshire, which will again work on the same principles as the Kent hub.

The owner acknowledges that they have had struggles with some areas of the business, mainly trying to persuade buyers to move away from their traditional supply routes, and also volumes levels across some product ranges can be an issue. They are finding that they have to support and develop producers to increase their supplies and encouraging business growth, which can be deemed as unusual in a commercial setting, but again is worthwhile in terms of building relationships and ensuring sustainable supplies of produce.

### e Co-operative Led – Riverford Organic Vegetables

This Devon based business provides franchise opportunities selling organic vegetable boxes direct to consumers, and is considered the UK's market leader. It has expanded rapidly to cover large areas of the UK. Each franchise is supplied with a network of local producers, and franchise holders are expected to adhere to the company's primary aims, which is to reduce the environmental cost of food distribution and to promote locally produced food as widely as possible.

They are currently expanding into Wales and have 3 franchisees in Cardiff, Swansea and the Valleys with a total of around 2000 deliveries a week. They doubt whether they will move into the more rural areas of the west, and are likely to concentrate on the more densely populated parts of the country. As the business model is aimed at the consumer, additional routes to market would be required to service the trade.

Co-operative structures can vary depending on the context, and usually require external expertise to set up. The benefits of a co-operative are the opportunities to draw upon the expertise of members in terms of skills and business attributes, but they can be susceptible to conflict if member interests take precedence. Successful co-operatives have a strong identity and objectives, but also ensure that consumers understand what they offer.

### f Wholesale Led – Castell Howell



This is a purely commercial model, driven by supply and demand with local produce lines a part of a wider range of food and drink products on offer. Servicing the trade, wholesale models are driven by businesses opportunities rather than social goals such as supporting local producers and lessening the impact on the environment. Castell Howell is the largest independent wholesale distributor in Wales with an estimated turnover in excess of £40m per annum.

Since its inception 20 years ago, it has grown from being a farm based enterprise to a traditional wholesaler, servicing the catering and restaurant trades. It also has a butchery, meat processing facilities, bakery and a cash and carry business supplying institutions such as colleges and hospitals. Based in Cross Hands, Llanelli they also have other depots in Oswestry, Gloucester, Merthyr Tydfil and Bristol. They are also a member of the Sterling Supergroup, which is a UK wide wholesale buying co-operative, which provides improved negotiating powers on a wide range of food stuffs. Castell Howell are also sole distributors and a partner in the Welsh sourced Celtic Pride premium beef scheme, which carries the coveted Protected Geographical Indication (PGI) status, awarded to food products that have full traceability within their country of origin.

The wholesale food distribution sector is highly competitive with regional Welsh distributors competing with national companies such as DBC Foodservice, Brakes and 3663. The larger wholesalers have also developed their businesses to offer additional complementary services such as selling catering equipment and other non-food items.

g Community Led – Community Supported Agriculture Scheme, Good for Ewe, Ross-shire

A group of local people in a remote village came together with the aim of being able to grow vegetables themselves and the local community, as they had concerns about the traceability of food and wanted to promote sustainable agriculture. Initially they received an offer of a plot of land, accessible to anyone within the local community who wanted to grow fruit and vegetables with any surplus sold to local shops and the market. The scheme has developed to be a communal allotment with a membership scheme charging a nominal amount per year.

As interest grew, a questionnaire was sent to the local community and an open meeting at the local school was held with a representative from the Soil Association present to field questions. A local member of the community donated an acre of land with further planning meetings held. To provide a formal structure, Good for Ewe formed as a co-operative limited by guarantee. Several 20’ x 60’ plots were made and a modest rental fee raised in addition to the membership fees. Additional land has been earmarked to accommodate greenhouses for indoor growing. There is a management board of 3 Directors and a Company Secretary, who are elected annually by the 60 members.

A total of £83,660 in grants has been attracted from a number of sources including Scotland UnLtd, the parish council, the Soil Association, Healthways Healthy Living Centre (a Scottish initiative) and a body that funds community environmental projects.

There are three indoor greenhouses with one dedicated to growing fruit and vegetables for the local market; another for a social work project and the children’s plot and the outdoor plots are for members use. Future developments include attracting more members; establishing the site as a centre of excellence; develop other similar projects in other areas; develop the brand and encourage independent growers to use it and see the scheme as another possible sales outlet and developing educational programmes working with local schools. At present the scheme is reliant on volunteers, but hope to provide employment opportunities in the future.

Below in table 8 is a SWOT analysis of the various hub models discussed above.



| Swot Analysis of Different Hub Models | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retail | Public Sector | Public Funded | Private Sector | Co-operative | Wholesale | Community |
| Strengths | Back up from retailer in terms of expertise. | Support from additional stakeholders e.g. local council | Access to additional support / expertise from funding organisations | Simple company structures | Draw on a wide range of expertise. | Experience of the market place | Opportunity to develop niche market |
| | One common goal - clear vision. | Access to additional expertise | Can be fairly autonomous | More commerical / entrepreneurial mindset | Focus on strengths. | Tried and tested model | Engage with a wide range of individuals within the community, bringing various levels of expertise. |
| | | Access to public funding | Attract substantial amounts of money for a number of years. | Increased levels of commitment in terms of time & effort. | Access to additional resources e.g. finance, | Good reputation | Reputation & community support. |
| Weaknesses | Producers could become over reliant on one customer. | Impositions by stakeholders / financiers. | Lack of expertise in satisfying public sector funding requirements e.g. financial control, paperwork. | Lack of business expertise. | Relies on group consensus. | Sustainability issues not properly understood and not a priority | Lack of business expertise. |
| | | Not commercially focused - issues with sustainability. | Impositions by stakeholders / financiers. | Financial constraints | Management by committee - decisionmaking can be a slow process. | | Relies on group consensus. |
| | | Lack of commercial expertise. | Insufficient planning in terms of sustainability when funding period ends. | Inability to identify business weaknesses. | Ability to respond quickly to changes in the marketplace. | | Reliant on volunteers |
| Opportunities | Tap into unmet demand for local produce by consumers. | Additional support e.g. PR opportunities | Funding provides additional development opportunities | Respect & support by local community | Ability to focus on both economic and additional social / community values and benefits. | Able to engage with existing supply relationships e.g. wholesale consortia | Provide a quirky and distinctive solution to a local / regional problem. |
| | other benefits to communities such as enviornmental, social and economic. | Set up to meet public sector needs e.g. procurement. | Set up to meet a particular local / regional need. | Tap into unmet demand for local produce by consumers. | Tap into unmet demand for local produce by consumers. | Tap into unmet demand for local produce by consumers. | Access to public funding - provides additional development opportunities |
| | Development of positive PR for food producers. | Tap into unmet demand for local produce by consumers. | Tap into unmet demand for local produce by consumers. | Provision of other benefits to communities such as enviornmental, social and economic. | Provision of other benefits to communities such as enviornmental, social and economic. | Provision of other benefits to communities such as enviornmental, social and economic. | Provision of other benefits to communities such as enviornmental, social and economic. |
| | | Provision of other benefits to communities such as enviornmental, social and economic. | Provision of other benefits to communities such as enviornmental, social and economic. | Development of positive PR for food producers. | Development of positive PR for food producers. | Development of positive PR for food producers. | Tap into unmet demand for local produce by consumers. |
| | | Development of positive PR for food producers. | Development of positive PR for food producers. | | | Diversification into other added value areas within catering sector. | Development of positive PR for food producers. |
| Threats | Retailer could withdraw from local hub scheme. | Levels of financial support can be withdrawn threatening impact of activity | Additional bureaucracy imposed by funding bodies. | Lack of finance - more susceptible to competition / external forces. | Key group members with specific expertise leaving. | More susceptible to increase in transportation costs e.g. fuel, tax | Lack of finance hindering development - unable to reach full potential quickly. |
| | Retailer could withdraw from supporting local ranges. | Competition from other national / local wholesalers & distributors | Competition from other national / local wholesalers & distributors | Competition from other national / local wholesalers & distributors | Competition from other national / local wholesalers & distributors | Competition from other national / local wholesalers & distributors | Competition from ther national / local retailers. |
| | Competition from other national / local wholesalers & distributors | Consumer demand decreases. | Consumer demand decreases. | Consumer demand decreases. | Consumer demand decreases. | Consumer demand decreases. | Consumer demand decreases. |
| | Consumer demand decreases. | Issues with supply. | Issues with supply. | Issues with supply. | Issues with supply. | Issues with supply. | Issues with supply. |
| | Issues with supply. | | | | | | |

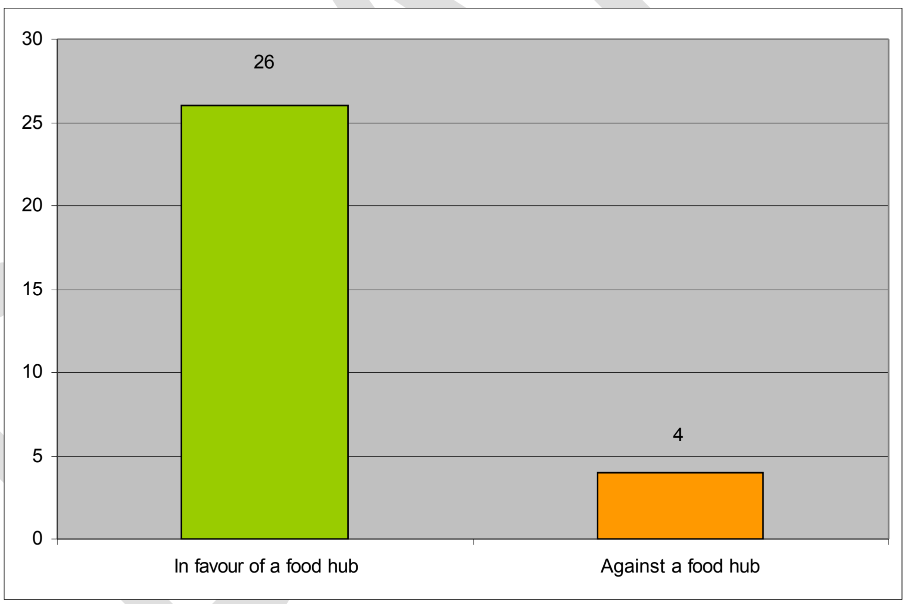
5.3 Survey and Focus Group Findings

As noted earlier, as part of a wider telephone survey we asked the opinion of the following on establishing a food hub in Mold: food and primary producers; businesses in the hospitality, tourism and retail sectors and stakeholders. They were asked whether they supported establishing a food hub; whether it would be useful for their business / organisation and also for their ideas on the functions of a food hub. Specific themes and conclusions were coming through as a result of the survey; therefore the focus groups provided additional opportunities to go into more detail and to further test these opinions.

5.3.1 Food and Primary Producer Survey Findings

When asked if they would welcome a food hub 26% (32 respondents) of the overall sample stated they would and 4% (5 respondents) stating they wouldn't. The majority of the respondents felt that this question was not relevant to them as they were primary producers and sold their produce direct to market. Food producers were then asked if they felt that a hub would be useful in terms of sourcing local produce for their inputs, 9 stated that it wouldn't be useful and 2 stating that it would.

**Figure 10**




When pressed further to provide ideas on the **function** of the food hub, 24 producers responded and the majority felt that its function would be to open communication and be a means of promoting food producers. As a promotional mechanism, 12 noted that they envisaged it as providing a directory listing producers in the area providing opportunities to advertise and ensure that producers were widely promoted across the border so as to try and attract more visitors to the town. One noted that it would be important that it is updated regularly, especially if it provided information on where to buy; and another felt that there was a need to have a co-ordinator to disseminate the information and create more open communication. Some felt that more could be done to improve communication between producers, with 5 respondents suggesting that it would be useful to have a centre where producers could discuss business issues, improve communication between wholesalers and producers, and as a means of networking together. Of the remaining 7 respondents two weren't sure of its function; another felt that it wouldn't benefit their business but supported a hub; one stated that they saw it as a famers market; a shop; a website and a facility to work with others to showcase local produce.

Respondents were asked to provide suggestions on what would be **essential** in a local food hub, 22% of the overall sample provided additional ideas which included:

1. Platform to disseminate knowledge and information to both consumers and other businesses. Method of promoting our produce and bridging some of the gaps; networking between producers. Providing information on local producers and what is available and also a business advisory service (x11 respondents).
2. Centrally located and that it is well advertised so people know about it (x 2)
3. Get to know local supplier, what they have to offer, if they can deliver etc.
4. Actual information on where the produce comes from. Traceability. A local food hub would be useful in terms of sourcing local produce for me as a consumer to buy local produce but not for the company.
5. Information or specifically to fill brief, inspirational ideas for recipes like Welsh shepherd's pie
6. Professionalism, knowledge, passion. Run by someone who knows what they're doing.
7. As a platform for you to have a voice in the community. To discuss things/developments within the community and with the local authority. Club for people to talk or somewhere we can network.
8. Able to generate more sales for local farmers
9. Quality of product and price
10. Availability of produce.
11. Delivery
12. No idea / not sure / wouldn't be of benefit (x 4)

Again the ability to disseminate information was seen as the essential element in a local food hub; four respondents were either not sure or didn't feel a hub would benefit their business. Producers were asked that if the food hub was a means of being a potential new market, what it would look like.

1. A booklet / directory or a website promoting local producers (x 7)
2. Somewhere I can go and talk to someone about business issues. A centre or meeting point. (x7)
3. Virtual (x 7)
4. Shop, market or stall. A community shop, run by producers and controlled by producers. Take it in turns to promote their stock. (x 6)
5. A centre where they had a list of products and producers. They would be better at promoting and advertising than us (x 2)

6. I am involved in a business group which is very useful for learning new skills and developing your business. Perhaps a discussion group would be beneficial. Someone to see if we can help each other at all. Help cut costs etc. (x 2)
7. Farmers market / market stall (x2)
8. A warehouse (x1)
9. Educational facility perhaps through the school. Teaching people how to use food and what is good for you (x1)
10. Not sure (x 3)

Again it seems that the producers felt that a hub would be a means of promoting local producers via a booklet, directory or the web; followed by being a central point for businesses to access business support and advice. There seems to be a general consensus that better promotion of local producers, food and drink with additional business networking opportunities would bring about additional business benefits. It would be fair to state that from the survey responses, and as expected, the producers were thinking primarily about their business needs, rather than objectively about the hub being another route to market in terms of direct selling.

When asked if they had any additional comments, again the need to advertise, promote local businesses and local produce was stressed as well as the availability of advice and support. Some welcomed that the survey was being conducted and raised concerns about the damaging effect of the supermarkets on business in Mold. Some producers felt that more is needed to be done to encourage more local sourcing, especially of dairy products and encourage supermarkets to stock more local produce.

### 5.4 Business Support and Developing the Sector

To close, the survey producers were asked what additional business support would benefit their business. This is useful to learn in terms of identifying potential current and future business support needs of the food and drinks sector in Flintshire. Also if the hub was to be established, undoubtedly there will be some businesses that may require additional support and expertise to meet the needs of various target markets. These include the capacity of producers in the locality to supply; availability throughout the year; whether they comply with the required legislative food hygiene standards; the marketing and branding of their own produce and adapting their products to meet the needs of hospitality and tourism businesses.

#### 5.4.1 Support Requirements

26% of the overall sample responded and they were able to choose multiple answers. The percentages noted below are calculated from the respondents that answered this question (31):

23.1% General business advice
19.0% Sales & Marketing
14.9% Partnership working / collaboration / networking
24.0% Specialist support
12.4% Sourcing specific local produce



Specialist support was felt to be the element of business support that would be of benefit to the producers business. They were asked to be more specific, and the topics were varied:

1. Specialist support on dairy farming (x4)
2. Legislative issues relating to health and safety, food hygiene, planning. 2 businesses noted that the Alyn Valley has been designated a Nitrogen Vulnerable Zone, and they would welcome assistance on dealing with the bureaucracy and legal issues surrounding this. (x4)
3. Diversification in general and into e.g. renewable energy, tourism (x3)
4. Corn growing & cultivating crops / arable (x 3)
5. Equipment

Some of the issues noted were very sector specific, where others would welcome more advice / support on legislative issues. Again these would require experts / consultants to be able to advise producers on the best course of action which could be perceived to be costly for the businesses if they have not commissioned specialist advice before. Some might be eligible to receive support from the Welsh Assembly Government's Farming Connect scheme, which could be an additional resource in terms of specialist advice.

Specific areas in terms of general business support was more to do with help in identifying finance / grants; advice on business expansion and being kept up to date with reminders / information on any new business legislation. One noted that a list or directory of business support providers in the area would also be useful. One producer commented that more could be done to support small businesses to survive:

*"More support from the County Council to focus more on supporting small businesses, helping them survive, instead of building more supermarkets."*

Sales and marketing was the next area that the producers felt that they would welcome additional support. One business had attended marketing seminars run by the County Council and found these to be beneficial and would welcome if more were run. Assistance with advertising and promotion outside of the local area was also identified as a need, and another small business would welcome support in supplying the supermarkets. We also asked if businesses would like to learn more about the services on offer by Cadwyn Clwyd; and a list has been forwarded to the relevant officers so that information can be disseminated.

## 5.5 Focus Group Findings

The focus groups provided an opportunity to gain further opinions about establishing a food hub in Mold, and the participants were asked if there was a need for a food hub and what it would look like. There was a general consensus within both groups that there was no need to open another shop, and that existing businesses should be promoted and act as a food hub:

*"We need to support existing businesses. Opening another shop could be to the detriment of other shops. Better to put local food into the picture in towns. Better to promote existing businesses than opening another shop."*



They also felt strongly that a shop would displace other businesses in the town. One producer was positive about promoting Mold as a food town, and suggested that internet marketing was one method and creating a website with useful visitor information and producer / food outlet contact details. It was also felt that there was a need to take advantage of the food festival, and gain a better understanding of who attends and use this information as a way of promoting local producers. Also it was felt that it would be worthwhile looking at what is happening in Ludlow in terms of promoting food tourism. Other ideas generated with regards to the food hub was that it could be a function that organised events to promote seasonal produce e.g. at Christmas and St David's Day but that it would take organisation to get people on board to participate. Again as in the survey responses, the businesses were agreed that access to information such as a producer directory would be more beneficial than opening a shop:

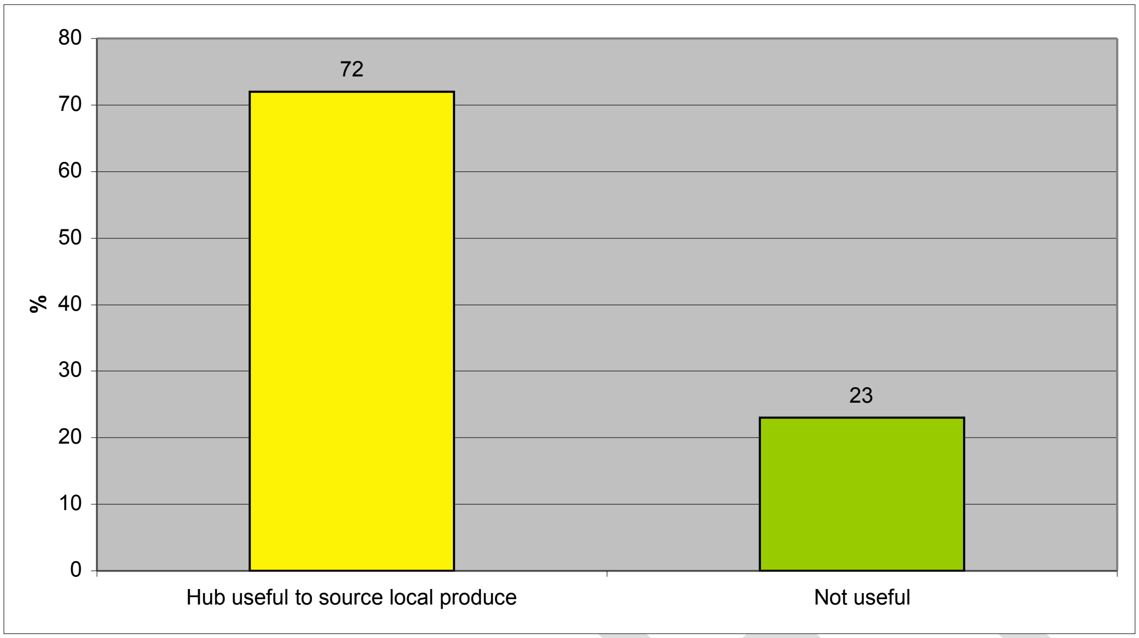
*"You open another shop and you get another going down."*

They felt that a co-operative could be set up by the producers to drive this forward and that they attracted funding to employ a co-ordinator to organise events and that any events should also include local food retailers, as it would also provide them with valuable exposure. Events could be organised in the major towns within the county and the following locations were suggested: Mold, Flint, Holywell, Deeside and Queensferry. In terms of the target audience, the groups felt that the local population generally could be targetted, but during the Summer they could attract interest from tourists; but the events would need to be advertised across the border in e.g. the Chester Chronicle or in the Daily Post.

5.6 Tourism, retail and hospitality findings

The businesses were asked if a local food hub would be useful in terms of sourcing local produce, with 72% of the respondents stating that it would be useful for sourcing local produce; 23% stating that it wouldn't be useful and the remaining 5% either didn't respond or didn't know. The %'s noted are calculated based on the whole survey sample of 53 businesses.

**Figure 11**




All 53 businesses provided additional reasons why they felt a hub would or wouldn't be useful to their business. Convenience was the biggest factor, with 20 respondents stating that having everything under one roof / outlet would make sourcing local produce easier. One business noted that a hub:

*"Would be a big relief on having to search through several wholesalers and directories for local produce."*

There was also a general consensus amongst some of the respondents that anything that helped local businesses, expanded the local economy and kept money circulating locally was a good thing. Some noted that it could assist in helping small businesses, and that the hub could be a direct way of supporting rural farmers. Six businesses noted that they would support the local hub, but that the price, quality, availability, accessibility and information on the products available would be crucial factors to its success.

For those who noted that a food hub would not be beneficial, the main reasons were that businesses had an established supplier base where the price and quality was right, and they weren't interested in changing their sourcing strategies. Two businesses noted that they produced a lot of their own produce on site therefore they wouldn't benefit from it. Another business stated that local produce can be expensive, whilst two others stated that they wouldn't make sufficient use of it due to the volumes of produce they purchased.

When asked what the businesses considered essential in a food hub, all 53 businesses that took part in the survey responded, but some businesses noted more than one feature.

1. Competitive price (x 16 respondents)
2. Quality (x 13)
3. Availability (x 10)

4. Accessibility e.g. in terms of location, distribution & online services (x 10)
5. Sufficient range / variety of products available (x 7)
6. Flexible to meet business needs (x 3)
7. Sufficiently and effectively promoted (x 2)
8. Information about the producers and products (x 2)
9. Other (x 3)

Price was the biggest consideration with some feeling that the economic climate would have an effect on what businesses would be willing to pay and in turn the consumer. The quality of the produce was also an important factor with availability and accessibility the next priorities. Whilst the above provides a snapshot of the priorities that businesses have in terms of their sourcing strategies; even if the hub was able to provide plentiful good quality produce at a competitive price, it would need to be efficiently managed to ensure repeat custom:

*"Quality, honesty and story behind the produce is of vital importance. Food hub needs to be run professionally and with constant supply, which is always updated."* **Farm shop owner.**

Another business commented that it wasn't sufficient just to source the produce, but that whoever ran the hub would also need to consider how businesses use products. When asked what the businesses envisaged the hub would do, 26% of the overall sample stated that they saw it as a shop only with some noting that face-to-face contact was important as well as being able to taste and see the products. 17% saw it purely as having a wholesale function, with the majority noting that a distribution / delivery service would be an important feature. 8% envisaged the hub as being a combination of a shop and a website where orders could be placed online, and an additional 8% saw it as a website only. The remainder of the sample provided a mix of responses and combinations, but a shop was the most popular. Only 1 respondent commented that a shop would displace existing businesses, which is in total contrast to the opinions of the producers.

To ensure the success of a hub, three businesses noted that collaboration between the producers and local businesses would also be essential. A concern was raised that no distinction should be made between different towns in the county, and that collaboration across the county will be essential as not to polarise and alienate the rural areas. Again the issue of promotion was also raised and that producers need to make themselves more known to local businesses, and specifically target cafes and restaurants. It was also noted that there is a lot of potential for food production and supply in the area; which would hint that there is currently untapped potential in terms of the supply and demand for local produce in Flintshire and beyond.

5.6.2 <u>Focus Group Findings</u>

When asked if there is a need for a local food hub in Mold, the majority of respondents saw that it could service both the trade and local consumers; but that they would need to be able to meet the needs of both types of customers e.g. reliability of service, consistency, provided deliveries and that it was accessible. On the whole respondents felt that having a shop would displace other local businesses, and that it would be difficult to compete with the large supermarkets. Whilst only one business raised the issue of displacement in the survey, the focus group demonstrated that there was a slight shift in opinion. The respondents saw the hub as predominantly having a wholesale function where orders could be place and deliveries made, and that the ordering process should be simple. One noted that the hub should be run by local producers; and in terms of location, it was noted that Mold was not very accessible if using public transport but that the Celyn Farmers Market site at Northop could be a possibility.

#### 5.6.3 Stakeholder Findings

The majority of stakeholders supported establishing a good hub in Mold, and felt that having somewhere on the high street to access information and a means of sourcing local produce would assist in raising awareness of what is available. Again, two stakeholders raised the issue of the hub possibly displacing existing local businesses. In terms of what would be essential in a local food hub, the stakeholders felt that having good quality produce, variety, consistency, sufficient quantity and being accessible were key factors.

When asked what would they envisaged that the hub would do, the responses were varied including assisting producers to supplying the supermarkets; a virtual shop; a couple were unsure if there was sufficient demand for a shop and two noted that it would be a shop.

### 5.7 Conclusions

The following conclusions can be drawn from the desk research, surveys and focus groups conducted in relation to the establishment of a food hub:

- ✓ The hub should be seen as an intermediary facility or an introduction agency that brings together producers, the hospitality, retail and tourism sectors as well as ultimately consumers to promote the development of the local supply chain, as well as developing a political agenda around an alternative food system in north east Wales.
- ✓ A number of practical considerations will also need to be examined in terms of the location of the food hub – that it was convenient and accessible; the range and type of produce available; and how local food is defined in terms of geography.
- ✓ The producers felt strongly that the food hub should be a producer led co-operative, providing opportunities to promote local producers within the locality and across the border. Producers felt that a co-ordinator would need to be employed to market and promote the local food offer, as they didn't feel that they had the required expertise to do this.
- ✓ Producers felt that it would be essential that a food hub was able to disseminate information to consumers about local food; be able to bridge gaps in the market and afford opportunities for networking between producers.
- ✓ The ability to access business support was also seen an important function of the food hub for producers.
- ✓ The local producers felt that a shop would displace other local businesses
- ✓ 72% of local tourism, hospitality and retail businesses from the overall sample of 53 stated that a food hub would be beneficial to their business. The key benefit as stated by 38% of the sample surveyed was that it would be



convenient to have everything under one roof making local food and drink more accessible.

✓ Competitive pricing was deemed the most essential element of a food hub, followed by quality, availability and accessibility. Even though a food hub might have all the essential elements, the hub would need to be managed effectively to ensure repeat custom, and that staff were also knowledgeable.

✓ Whilst 26% of the businesses surveyed felt that the hub should be shop; attitudes had shifted during the focus group, with the participants stating that a shop would displace existing businesses. It was also noted during the focus groups that businesses envisaged the hub would service both the trade and local consumers, but that it had a predominantly wholesale function. The ordering process should be simple and that a delivery service was also offered.

## 6. Marketing of Locally Produced Food

Part of the study required an analysis of marketing opportunities for local food. Following discussions with the steering group this section has been split into three sections:

1 We asked the views of the producers and the local businesses on aspects of marketing and promoting local food, which was conducted during the focus groups. A ‘Local to Mold’ logo has been developed, with the view of utilising it to denote local produce at the point of sale, on menus and literature which was showcased during focus group sessions.
2 Secondly the steering group were keen to learn more about promotional strategies that had been successful in other parts of Wales.
3 Practical suggestions of the opportunities in the promotion of local food in Flintshire.

### 6.1 Views on the Promotion of Local Food

The definition of ‘local’ food has always proved difficult for both businesses and support agencies, especially in terms of ensuring that the perception and definitions are consistent and that both the consumer and trade understand what is meant by local. Whilst to some degree there will be some disagreement of the commonest definition, which is the 30 mile radius. Recently though in terms of promoting local food, there has been a trend towards strengthening promotional activity via regions, engaging the hospitality, tourism, retail, food and drinks sectors with some consumer facing activity included during the Summer months. The shift has mainly come about due to the small number of producers in some counties in Wales and as an efficient method of pooling together financial resources, thus creating a bigger impact on various target audiences. Examples include North Wales Food, Mid Wales Local Food Talks and Ffres in South West Wales, whose aims are to bring the above sectors together and to use local food as an effective marketing tool to generate more interest amongst consumers and to improve business profitability.

All Businesses during the study were asked – which included all producers and the local businesses - whether they felt the emphasis on local food was over hyped, and their interpretation on what local food meant. There was some debate on the term ‘local’ and its geography. Some of the producers belived that it meant the closest available; whilst others stated that Chester is considered to be local, but should local produce be defined as to be both Welsh and local? One producer used North Wales as part of his positioning and promotional strategy when marketing his produce, but believed that it was too vague and was considering changing this so as to localise the product and that it was more identifiable with Flintshire. The hospitality / tourism businesses felt that local meant North Wales, Wales and the old Clwyd, therefore their perception of local was much wider than the producers. This was mainly borne from their experiences of sourcing produce and as one business noted, their aim was to source Welsh produce; and one participant was shocked by the Farmers Market definition of local to be within a 30 mile radius.

With regards to promotion, on the whole, provenance was important to all the businesses be it Welsh or local, with the traceability of the produce also a benefit to some of the respondents. A couple of businesses (one producer and one hospitality provider) stated that promoting Welsh produce was better for their business, as they were able to promote a wider range of products. Another two businesses felt that it if you were a local business, then promoting local food to Mold would be more of a business benefit.

### 6.2 <u>Local to Mold Logo</u>

The response towards having a local food identity such as a logo was mixed, mainly due to the following factors:

- they were unclear about how food would be categorised as local to Mold;
- it was too niche a market and limited to a relatively small geographical area
- past experiences of being involved in previous schemes
- two businesses were supportive and felt that if it was executed correctly it could work, and visitors to the area would welcome it.

There was some debate about the logo and the meaning of the slogan Local to Mold:

*“It needs clarification on what ‘Local to Mold’ actually means. Would it include products brought in but finished off in Mold? Or produce which is exclusively from Mold? Also, what about bread – is the bread local if the flour isn’t from a local mill? Is it going too far?”*

The majority felt that it was too niche a market and that Welsh or Flintshire would be more appropriate. When asked if they would incorporate the logo onto their packaging, one producer noted that they wouldn't, as they had been involved in a similar scheme previously. Another producer also stated that the logo probably wouldn't be used as:

*"There aren't enough products in the area to be included. I wouldn't want a logo to divide Wales into areas, because local could mean the whole of Wales."*

Another participant didn't believe that the scheme would manage to entice smaller food producers to join, and that it would be a better idea to go after bigger companies for example Cadog cheese, but questioned if they would bother as it's a niche market?

One producer noted that they would include the logo on their packaging if it was executed correctly and a B&B business felt that guests would welcome the logo. In terms of raising awareness of any logo scheme events and advertising were the most popular promotional methods noted.

If the logo scheme was to go ahead, the execution of the logo and brand management would require significant resources in terms of time and finance to ensure success. There are some lessons to be learnt also from the execution of the Wales the True Taste branding, which is linked to the Welsh food awards and used as a sign of award winning food. Winners can utilise the logo on packaging, signage, point of sale and any other visible media such as websites. Anecdotal evidence from producers who have won the awards, suggest that their use of the logo is dependent on where their markets are. For example larger organisations who distribute their produce nationally across the UK have not used the Wales the True Taste logo, preferring to use the Great Taste instead.

A 2008 survey conducted by Beaufort Research on behalf of the Welsh Assembly Government shows that only 12% of consumers could recall either of the two Wales the True Taste logos. This figure seems low, however, there is limited exposure of this logo. It can be seen on various websites, publications, associated stakeholders promotional campaigns, True Taste events and exhibitions (both UK and International) and at farmers markets. However, even with the amount of resources at the disposal of the Welsh Assembly Government to promote the brand, the research suggested that the promotion of the logo could be improved throughout all areas of work.[10]

The same considerations would apply for Flintshire producers and businesses whether they would adopt a Local to Mold logo, especially on pack. Again innovative methods and a degree of flexibility in terms of how the brand could be used not only on products but also locally, during events and by businesses would be a key element to success. Another consideration is the shelf life of any branded items, and that a variety of communication methods are used to ensure sufficient brand presence to raise awareness amongst both the trade and consumers. Promotional techniques could include:

- stickers produced for on pack promotion
- online
- at point of sale in terms of signage and product displays

[10] Wales the True Taste Tracking Research, Beaufort Research 2008 for the Welsh Assembly Government.

- on the back of till receipts
- guest information in accommodation
- branded items such as mini bar fridges in guest accommodation

As discussed earlier, the focus group participants were unsure of the meaning of the logo 'Local to Mold', therefore strong branding guidelines and awareness raising sessions with the food, hospitality, retail and tourism sectors would dispel some early resistance and perceptions. These would also provide opportunities to promote the brand, answer any queries and dispel any concerns with regards to any extra costs involved. Also the business benefits in terms of potential good PR for the area, community involvement and improved profit margins would need to be measured and packaged to ensure significant buy in, long term involvement with the scheme and the longevity of the brand.

## 6.3 Additional Promotional Ideas – Responses from Producers and Businesses

As noted in the previous chapter, the producers in particular throughout the consultation process felt that more could be done to promote their businesses and local produce. Their perception of a local hub was mainly as an information distribution point which included producer directories, a website and a meeting point or centre where information could be easily accessed for both businesses and consumers. No doubt the producer's viewpoint will have been skewed slightly so as to satisfy their business needs, but some producers felt that they didn't have the necessary skills or knowledge to effectively promote local produce, and that a third party would be better placed to do so.

The local hospitality, tourism and retail businesses on the other hand felt that a local hub would avoid the necessity of having to have another food directory; but six businesses felt that accessibility to information on local produce would be a crucial factor in the success of any food hub initiative.

## 6.4 Promotion of Food in Other Parts of Wales

The Steering Group were keen to learn about other successful promotional campaigns across Wales and any lessons learnt in relation to the promotion of local food. These will be presented below in the form of short case studies and focus on three areas: Gwynedd, Mid Wales and Pembrokeshire.

### 6.4.1 Galluogi RDP Project – Gwynedd County Council and Annog Cyf.

The project has been in existence since early 2009 and is funded through the RDP Axis 3 and Gwynedd County Council with the overall aim being to develop an enterprising culture within the rural economy of Gwynedd but with a focus on promoting micro local food, drink and craft businesses. It is managed by Annog Cyf. and the project has a team of officers including a Project Manager, Co-ordinator and Administrator. The project has a budget of £1.1m, but within this there is a mentoring and grants scheme available to businesses. Their office is in Porthmadog which has a shop window, and is used for display purposes to promote local producers and events.

**Activities**

A calendar of events are planned 6 months in advance which include a mixture of trade and consumer activities such as co-ordinating producer stands at large events; distribution of hampers and information packs at organised events such as Marathon Eryri; training for businesses including menu development and promotional campaigns. Specific campaign examples include:

- **Cafes with Character** – a pilot voucher scheme where 5 cafes across the county took part and meals made from local produce were offered for £5 on production of a valid voucher. Consumers were asked to complete a short questionnaire to measure effectiveness with a chance of winning a local produce hamper.
- **Portmeirion Packs** – local food packs with 5 local produce distributed to delegates of a conference held at Portmeirion. The conference attracted high profile speakers from the UK media, pop and politicians. Local press was generated about the packs as a result.
- **Valentine's Producer Speed Networking Event** – chance for producers and hospitality businesses to promote their products and services.
- **Walk the Supply Chain** – a chance for producers to learn more about the supply chain and a visit to a local supermarket to learn more about purchasing practices.
- **Expo Food and Drink Event, Birmingham NEC** – study tour aimed at producers; opportunities to learn more about other producers, branding, selling and stand presentation.
- **Best of Gwynedd** – a logo has been developed to promote local produce across Gwynedd.
- **Self Catering Hampers** – the project is currently scoping the possibility of offering local produce hampers to self catering providers for guests over the busy summer months.
- **Gwynedd's Taste and Talent Awards** – the first awards event was held in 2009 which acknowledge the achievements of the county's food and drink producers.

**Strengths**

- ✓ There is a full time team working on the project, which ensures that activities can be planned well in advance and they can also respond quickly to any trends or client needs.
- ✓ A package of support available to producers to develop their capacity and businesses with access to specialist mentors and finance.
- ✓ As Gwynedd is in a Convergence area there is more EU finance available.
- ✓ Gwynedd County Council manages the overall scheme; therefore there is access to additional personnel and support in-house available and strong linkages with e.g. tourism officers, the economic development department and PR.
- ✓ Different methods of engaging with producers and consumers have taken place, and the effects of each campaign is measured and evaluated.
- ✓ Having a shop window on a busy high street provides additional opportunities for promotion and showcasing local produce.
- ✓ 'Piggy backing' of other high profile events held within the county or to key times of the year to promote local producers.
- ✓ A wide range of events happening with a hook to attract local press attention.

**General Comments**

The project team have been incredibly proactive in terms of engaging with businesses, arranging events and generating PR. But as with any other publicly funded project, finance is only available for a finite period of time. There is the likelihood that some subsidised initiatives such as the vouchers, hampers and branding will disappear completely.

In terms of the longer term sustainability of current promotional activity, it will be interesting to see whether the private sector will adopt any of the current techniques used such as the logo and hampers, and embed them as promotional tools within their businesses.

Questions could also be asked as to whether public funds should be utilised to subsidise hampers and food packs. Whilst the producers involved will have seen sales rise as a direct result of their involvement with the schemes (which could skew any final project evaluation results), it will be interesting to see in the longer term if there has been any real impact on consumer awareness and sales figures.

### 6.4.2 Mid Wales Local Food Talks – Welsh Assembly Government and Tourism Partnership Mid-Wales.

This initiative has been in existence since 2006 and is funded by the Welsh Assembly Government, and managed by Tourism Partnership Mid Wales with some elements sub-contracted on an annual basis which include project management, campaign management, marketing and communications planning and PR. There is also an onus on contractors to attract additional funding and sponsorship to finance parts of the campaign. Initially it was called 'Local Food Talks', but was re-branded in 2008 to 'Mid Wales Local Food Talks' to root the project and provide a sense of place. The project was borne from the Mid Wales Agri-Food Partnership which saw there were real business benefits and promotional opportunities through raising awareness of local food to the retail, tourism and hospitality sectors as well as bringing them together. The main focus is on working with the trade sectors, especially during the winter and early spring, with attendance at consumer events during the summer.

**Activities**

A calendar of trade events are planned in advance covering a 5-6 month period, and the emphasis is on partnership working with other organisations and projects across the region. There are usually events that are already planned by partners but are included in the programme and branded as Mid Wales Local Food Talks, and there are a few flagship events that are led by the contractors and key partners. The aim is to have a balance of events in terms of numbers and size, which appeal to a wide range of the trade audience. The events and campaigns include:

- **Mid Wales Tourism Conference** – the conference now has a food tourism spot on the agenda every year which is sponsored by the project and a showcase stand of local produce is organised with information to take away on the day. The conference is mainly aimed at the private sector.

- **Meet the Producer** – these have been flagship events aimed at the tourism, hospitality and retail trades where between 20-30 producers are invited to showcase their produce and on average around 100 delegates have attended each event. A total of 5 Meet the Producer events have been held during the past 12 months across the whole region.
- **Masterclasses** – these have been very specific events aimed at educating tourism and hospitality businesses about various Welsh food products including cheese, beer, cider and fish. The aim is to provide practical demonstrations and tasting sessions to encourage businesses to stock and utilise Welsh produce on their menus.
- **Production of a Producer Guide and i-phone App** – research conducted in 2008 with tourism and hospitality businesses found that businesses had limited access to information about local food and where to source. Tourist information centres also noted that they had little or no information available about local food. The latest guide was published in January and an i-phone app to support it.
- **Review the Menu Clinics** – these have provided opportunities for businesses to gain practical advice from a food marketing specialist on how they can maximise profits from their menus through the promotion of local food.

**Strengths**

- ✓ A strong strategic involvement from both the Welsh Assembly Government's Food Fisheries and Market Development Division and Tourism Partnership Mid Wales.
- ✓ Partners from other organisations have been strongly involved and willing to undertake their own events.
- ✓ Limited duplication of activities and events held by mainstream providers and other support organisations.
- ✓ Having a regional brand and campaign, but with localised events tailored to meet the needs of the businesses.
- ✓ Promotional literature and the website have improved with time and investment, and added value to the overall campaign.
- ✓ Strong themes that the PR agency involved could generate stories have helped to ensure press coverage – last year it was that mid Wales food was something to shout about, this year the focus has been on market towns and up and coming food tourism destinations.
- ✓ Focus has been predominantly on increasing the capacity of the trade to meet the growing trend in consumer demand for local food, and for producers to see the local hospitality and tourism sectors as potential new markets.
- ✓ A number of communication methods have been utilised throughout the campaigns including advertising, PR, events, e-mail, the web, mobile, telemarketing and direct mail. Telemarketing has proved to be the most successful in securing numbers for events, but the remaining communication methods assist in brand recognition and awareness raising.
- ✓ Strong case studies of businesses that utilise local food for business benefit.

**General Comments**

The strategic backing of both the Welsh Assembly Government and Tourism Partnership Mid Wales has been a key driver in pushing the food tourism agenda forward, as well as the work of the contractors involved in the delivery of the project. But due to the nature of the contracts being reviewed on an annual basis, there has been a 'stop start' nature to the campaign whilst tendering processes are being completed. A programme with a lifespan of for example three years would have afforded a number of opportunities to have created more of an impact within both the trade and consumer sectors.

As demand for local food is usually driven by consumers, not having enough resources to undertake a significant consumer campaign has hampered efforts to have a co-ordinated approach for both the trade and consumers.

Mid Wales is a large region with a dispersed population, therefore working in partnership with other organisations has been key to ensure that promotional activities and events sufficiently cover the area in terms of geography.

6.4.3 Pembrokeshire County Council

Tourism is an important sector for the county, and the Council have supported and delivered a number of initiatives to promote food and drink producers. They see the sector as playing a key role in the economic development of the county and that it enhances visitor experience. Pembrokeshire Fish Week which is organised by the Council has won a Gold True Taste Food Tourism Destination award and a Pembrokeshire Tourism Premier Event Award both in 2009. The Council employs a full time Food Officer and an Assistant Food Officer who organise events, provides support to new and existing food businesses as well as manage a Pembrokeshire Produce Mark scheme. There are also strong links with Planed which is a third sector organisation whose aim is to support and develop rural businesses. Pembrokeshire County Council is also seen as dynamic in terms of their vision for food and tourism and there are strong strategic links with the South West Agri-Food team within the Welsh Assembly Government.

**Activities**

The activities and promotional opportunities are based on tried and tested formulas, ensuring that they complement any other mainstream programmes and there are a number of activities undertaken in partnership across the South West Wales region.

**Supplier Event** – this is based on a Meet the Producer concept. 80 producers from within and outside the region were invited to exhibit and 3000 delegates from within the tourism, retail and hospitality industries attended. As a result of the success of this event the Council are looking to organise a second event later this year. Visit Wales and Pembrokeshire Tourism were also involved with the event.
**Study Tours and Conferences** – trips are organised for businesses to attend national conferences such as the FARMA Conference in Telford, which provides opportunities for producers to network and learn more about industry developments.
**Newsletters** – these are sent out on a regular basis providing information on latest developments and also any training that is available such as health and safety and food hygiene.
**Farmers Markets** – there are two in the county and Haverfordwest Farmers Market has won a number of awards including FARMA Farmers Market of the Year 2005/06, True

Taste Retail Gold Winner 2005/06 and FARMA Regional Winner 2006/07. Special markets are also held at particular times of the year such as the spring market.
**Producer Guide** – two guides are produced, one in map form and another grouped as per food category which are distributed widely to both the trade and consumer. Electronic copies are available on the Council's website: http://www.pembrokeshire.gov.uk/content.asp?nav=103,123,173&parent_directory_id=646

**Pembrokeshire Produce Mark** – The Produce Mark is an instantly recognisable logo, which shows that the product you are buying has been made in Pembrokeshire. If displayed in a hospitality establishment, it shows that local produce is used within the menu. Retail outlets displaying the Produce Mark sell local products within their shop. There are currently over 200 members of the Pembrokeshire Produce Mark scheme. Before being able to display the logo, all members of the scheme are verified to ensure eligibility via the Council's Trading Standards and Environmental Health departments.

**Strengths**

- ✓ Having full time staff in place ensures that sufficient capacity is available to promote and co-ordinate events. Being within the Council, the team can also link in with other departments and activities.
- ✓ The South West Agri-Food team within the Welsh Assembly Government is viewed as proactive and there are strong networks and joint working across various organisations such as Visit Wales.
- ✓ Strong links have been forged between the food and tourism industries. Producers are also proactive, seeking opportunities to gain from the tourists that visit the county, with companies such as Cwrw Cwm Gwaun and Caws Cenarth having opened visitor centres alongside their production facilities.
- ✓ There is a diverse food sector within the county which assists in being able to market the food offer available. There have been deliberate measures to promote the food and drinks sector within and outside the county.
- ✓ Events and promotion happen on a regular basis which is focused on both promoting producers and creating the capacity within their businesses to succeed as well as using food as part of the visitor experience such as Pembrokeshire Fish Week and the Farmers Market.
- ✓ Food Centre Wales in Horeb, Ceredigion is centrally located and easy to access in terms of providing business and marketing support to producers, which again is another outlet to develop the capacity of businesses within the region.
- ✓ There is a similar initiative to Local Food Talks in Mid Wales called Ffres which aims to promote food tourism across the region. It is led by Simon Wright a top food critic and restaurateur who owns Y Polyn in Carmarthenshire with over a 180 members. As well as organising events, there is an online community.

**General Comments**

There seems to be a good balance of activity in terms of supporting and developing producers, as well as engaging with consumers through the tourism industry. The fact that the links between the food and tourism industries is explicit as well as the benefits to the economy seems to have created a healthy and diverse food and drinks industry in Pembrokeshire. This greatly facilitates any marketing or promotional initiative, especially if both sectors see the value in working together.

Food provenance is important and is used effectively in the promotion of the tourism offer by Pembrokeshire through the produce mark, events and literature.

The emphasis seems to be on the quality of events and activities not the number, which is demonstrated in the number of awards the Council have won. Awards can also be used as an effective promotional tool, and carries some weight in the minds of both the trade and consumer audiences.

## 6.5 Promoting Local Food – Flintshire

When analysing the report data particularly from producers and local businesses, combined with evidence from what is happening elsewhere in Wales, there are similarities in terms of the perceived need from businesses as well as key elements that have contributed to the success of promoting local food, which can also be adopted in Flintshire. The key elements are:

- ✓ Dedicated staff to co-ordinate activities, to support and promote producers, as well making the linkages within the industry to improve the food offer as well as with key sectors such as tourism.
- ✓ Creating a culture where local food and food provenance is seen as an important contributor to the local economy.
- ✓ Strong messaging and theme for any campaign – this needs to be able to capture the attention of any target audiences.
- ✓ Promotional literature in the form of producer directories and guides aimed at both the trade and consumer audiences.
- ✓ A range of events that are aimed at the trade and consumer.
- ✓ Utilising a range of communication methods – not reliant on one method to get the message across and having a good mix.
- ✓ Avoiding duplication and adding value to existing provision – joint working and linking with key players at a strategic level (e.g. local authority, Welsh Assembly Government), delivery level (e.g. RDP programme delivery partners) and the trade (e.g. key private sector businesses that see the value to their business in utilising local produce; local food tourism ambassadors).
- ✓ Strong case studies of those who succeed and benefit from using local food on the menu.
- ✓ Working regionally across counties so as to pool resources together and to strengthen the food and or food tourism offer.

## 6.6 Suggestions on Promotional Activity

Table 9 below outline suggestions on promotional activity that could be undertaken and adapted to promote the food offer be it at a local level within Mold; to promote Flintshire as a food tourism destination or to work jointly at a regional level with other North East Wales partners. In terms of marketing planning, if there was a dedicated officer in place then the promotional plan should be constructed and tailored to meet any budgetary restrictions and strategic considerations by e.g. the Welsh Assembly Government (dependent on who is funding the activity). The most important element is the correct mix of communications adopted and that it is tailored to the relevant target audiences.

**Table 9**

| Method | Activity / Suggestions | Audience |
|---|---|---|
| **Advertising** | Community announcements on local radio.<br>Local and Welsh press.<br><br>Border press such as Cheshire Life, Country and Border Life.<br><br>Lifestyle magazines.<br><br>Trade press such as The Grocer, catering and hospitality magazines.<br><br>Tourism publications e.g. bedroom browsers.<br><br>Use mobile technology to develop smartphone apps to promote key towns in Flintshire which could include listings of local producers, restaurants offering local food, accommodation, pubs and retails outlets.<br><br>Web and viral advertising – target websites that fit the visitor demographic. | Consumer (local and visitor) and Trade |
| **Sales** | Presentations to partner organisations.<br><br>Linkages with cross border and Welsh organisations within the food, drinks, tourism, hospitality and retail sectors.<br><br>Capacity building within the tourism, hospitality and retail sectors to promote the benefits of having local food on the menu e.g. menu clinics, compiling a local food specials board, creating dishes using local produce, how to sell local food.<br><br>Target consumers to promote the concept of local food, the produce and producers in the county. Generating more demand.<br><br>Presence at consumer and trade events to distribute information e.g. producer guides, information about the county / area. Sampling local produce on the stands and provide information on where to buy. | Support organisations, the trade and consumers. |
| **Sales promotion** | Mold / Flintshire / North East Wales producer stand at organised trade shows and consumer events in England and Wales (both food and tourism). Opportunity to sample, taste and purchase produce. | Trade and consumer. |



| | | |
|---|---|---|
| | Local to Mold food voucher scheme for consumers / visitors – work with producers, the multiples and local retailers to provide money off vouchers for local produce; competitions to win hampers, food experiences at local restaurants / hotels, overnights stays.<br><br>Link into accommodation websites such as Laterooms and Trip Advisor to undertake promotional campaigns to highlight the food and tourism offering e.g. accommodation, food offering and food events. | |
| **PR** | Capitalise on good news stories to generate interest e.g. local food heroes, case studies of successful businesses.<br><br>Use advertising as a lever to generate copy / editorial within the press – maximise coverage and return on investment. | Trade and consumer. |
| **Campaign message and image** | Ensure that any branding, literature and photography reflects the regional area in terms of e.g. geography.<br><br>Strong theme that conveys the area and the regional food offer.<br><br>Demonstrate the diversity of the county in terms of geography; dispel any myths about it being a predominantly urban county and the diverse range of food and drink products available – rural v urban, market towns, Moel Famau the designated AONB. Also convenience in terms of location to north west Wales and north west England.<br><br>Link into national campaigns such as British Food Fortnight. | Trade and consumer. |
| **Direct Marketing** | Establish a strong and current database of contacts within the food, tourism, hospitality and retail sectors. Establish a customer relationship management system (CRM) to track contact and communication with businesses, and which events they have attended etc.<br><br>Interactive website with forums and video streaming linked to email communication and | Trade and consumer. |

| | | |
|---|---|---|
| | updates via e-newsletters.<br><br>Direct mail by post. | |

The above is by no means exhaustive, but by working with local tourism groups, Tourism Partnership North Wales and the local authority there could be additional opportunities to promote the area and for joint working. Also any marketing and promotional campaign should be flexible and responsive enough to meet any new trends and communicate regularly with various target audiences.

## 6.7 Conclusions

The following conclusions can be made with regards to the marketing of local food:

- √ Food provenance was important to the businesses surveyed, but many had differing views on the definition of local food and drink, dependent on their business needs and sourcing issues.
- √ There were mixed reviews to the Local to Mold logo mainly due to the following factors: lack of clarity as to what was meant by local to Mold; some felt it was too niche a market limited to a relatively small geographical area; a small number of hospitality businesses stated that they would welcome a logo and felt that visitors would welcome it.
- √ From the lessons learnt of other food logo schemes, strong brand guidelines and sufficient financial investment in the execution of the brand will be required to ensure the sustainability and longevity beyond any public funding period.
- √ When examining promotional activities in other areas across Wales, the majority have dedicated staff working full time on promoting and support local producers, and have strong strategic support by either the Welsh Assembly Government or Local Authorities.
- √ The types of events organised are varied, but are mainly targeted at the hospitality, retail and tourism businesses to try and generate more interest in local food and drink. A 6-month calendar of events is usually planned in advance.
- √ Other areas in Wales examined in this report have or are trying to create a culture where local food is seen as an important contributor to the local economic. Working across counties to promote the food and drink offer will afford additional opportunities to pool resources and strengthen any promotional activity.
- √ Any promotional campaign is reliant on utilising a variety of communication techniques including mobile and internet technology.
- √ Due to the close proximity of Flintshire to Cheshire, cross border activity and joint working should be maximised and capitalised on to generate new routes to market, especially in promoting the local food hub and the local food offer. There is also a range of printed media available which target businesses and consumers just either side of the border that could be targeted to generate increased PR.
- √ The geographical diversity of the county needs to be capitalised to promote the food tourism offer such as the coast, market towns and designated AONB, promoting quality producers and eating establishments that may be located in

places of interest or potential tourism honey pots. A bank of case studies could be developed which demonstrates best practice and provide inspiration to other businesses to follow suit either to start their own food production business or to adopt more local produce on the menu.



# 7. Proposed Local to Mold Food Hub Model

This section of the report will present a potential model that could be adopted as a food hub based on the desk research compiled as well as the survey and focus group findings. We envisage that the information in this report could form the basis of a business plan to move the hub development to the next stage.

## 7.1 Introduction

There is a concerted effort locally to promote local produce in Flintshire and to increase the profile of local producers, the links between the food and drinks and tourism sectors, hospitality and retail industries. Quality of life, sustainability and rural regeneration are important to stakeholders within the locality, and this is demonstrated through the continued success of the two-day Mold Food Festival and the promotion of Mold as a slow food town. Cadwyn Clwyd and Flintshire County Council have also supported either practically or financially, a number of food related activities including support programmes, events and the commissioning of research to facilitate this development.

There is also a commitment and vision by the steering group to establish a local food hub, and a consensus through their professional capacity working within the food and tourism sectors that there is a need to develop a sustainable model to promote the local food and drink offer. They also acknowledge that increased capacity in terms of staff time is required to co-ordinate the development of the hub and the promotion of local food and drink; and that public funds will need to be sought to finance the required developmental work.

The key Welsh strategic documents and the potential contribution of a Local to Mold food hub to their objectives have been explored earlier in the report, and demonstrate that a facility promoting local producers, stimulating business growth and improving the local supply chain network would be welcomed particularly by the Welsh Assembly Government.

Our conclusions as outlined earlier in this document as a result of discussions with producers and local businesses, is that there is a need to further promote local producers and to make local food and drink more accessible. Any ordering and distribution facility would need to be responsive to the needs of the trade, and be able to sufficiently supply local businesses.

## 7.2 The Hub Model

The basic elements of the food hub would include:

- The creation of a physical hub in one location, that would be run as a social enterprise and formed as a co-operative run by local producers.
- The aim would be to increase accessibility to local food for businesses as a ‘one stop shop’ facility where local produce can be accessed under one roof, as well as the provision of information about local products in the form of a directory.
- Develop an online and telephone ordering facility, as well as a delivery service.
- A clear strategy for the branding, marketing and information exchange about local food and drink.
- Deliberate methods engaged through events and information sharing between producers and the hospitality, retail and tourism sectors to encourage increased purchase of local food and drink.

**Figure 12** below has been developed to better illustrate the model and its main functions:


To ensure the success of the hub and to attract as much funding as possible, its remit would need to be wider than just a distribution outlet, so as to explore any untapped demand within local businesses and to promote the local food offer. This model would also be attractive and meet the needs of the producers i.e. more promotional opportunities and access to potential new markets, and also local businesses see the benefits of using local food within their business but require the purchasing process to be as smooth as possible.

To maximise potential sales, the hub facility would need to service a wider geographical area than Flintshire and could encompass the neighbouring counties of Denbighshire, Wrexham, North Powys and Cheshire.

### 7.2.1 Potential New Markets

The above model could also be adapted to service the consumer market by e.g. adapting the online ordering facility so that small amounts can be ordered and delivered.

Whilst the remit of this study did not include an analysis of consumer purchasing patterns or visitor expenditure on food and drink, it is important to provide a broad-brush overview based on the existing data available. There is limited data available detailing consumer purchasing patterns of food and drink by householders in north east Wales, but the annual Tracking Research[11] undertaken by Beaufort Research on behalf of the Welsh Assembly Government can provide some initial insight into consumer behaviour and attitudes to food purchasing. Face to face interviews were undertaken with a 1000 consumers across Wales during 2008, the sample being representative of the Welsh population over the age of 16 and appropriately weighted by age group and local authority.

Highlights include that price and taste are key motivators amongst Welsh consumers to purchasing food, with an 11% increase from the previous year recognising that price influenced their purchasing behaviour. The survey also found that the percentage of Welsh consumers buying Welsh foods in the last year continues to steadily increase with 77% stating that they had bought Welsh foods in the last year. Consumers appear to be buying Welsh products from the large supermarkets with Tesco and Asda leading the way, but there is a steady growth in Welsh produce being sourced from farm shops. Again this is linked to a growing interest by consumers in food provenance and a desire to buy locally sourced produce. The reasons provided for not buying Welsh produce were mainly due to lack of awareness of Welsh food and drink, and that there were no issues in relation to perceived quality or value of Welsh produce.

More research needs to be completed into consumer buyer behaviour to gain a more comprehensive understanding of the potential local market as well as: attitudes to local food and drink, the local consumer profile, food expenditure and the proportion spent on local / Welsh produce.

Visitors to the area is another potential market especially e.g. individuals who purchase gifts to take home; 'green' tourists who have a keen interest in sustainability issues and also visitors who stay in self catering accommodation. Working with self catering accommodation providers to offer a reasonably priced food ordering service for guests (so that food is available upon their arrival), would add significant value to the visitor experience and an additional means of promoting local produce.

### 7.3 Estimated Costs

The cost headings below are based on a similar model put forward by Sustain the alliance for better food and farming to the London Development Agency who have also been exploring the feasibility of a food logistic centre in London[12]. Also looking at the Pembrokeshire Produce Direct model, this project secured £794,000 for a three year period from the Rural Development Plan, and is more than likely to have had to find an additional 20% match funding on top, bringing the total to just under a £1m for the project. Please note that a full cost analysis would be necessary to meet any business planning requirement of public funding providers, as well as a cash flow statement and profit and loss. The costs in table 10 below are only indicative but provide some idea of the required levels of funding over a three-year period.

[11] Wales the True Taste Tracking Research, Welsh Assembly Government 2008.
[12] London Sustainable Food Hub by Sustain for the London Development Agency, 2005.

**Table 10**

| Key Characteristic | Rationale | Indicative costs |
|---|---|---|
| A building / warehouse facility | Based on an initial search for a large light industrial units in north east Wales. | £60,000 to rent a light industrial unit inclusive of VAT. Requires adjustment if purchasing a unit. |
| Initial developmental costs | Just over 50% of overall cost of building for any fittings, fixtures, storage facilities etc. | £30,000 |
| Overheads / running costs | | £50,000 |
| Transportation | Contract hire/lease of vans and running costs | £54,000 |
| Staff | Based on a team of 8 staff including a manager, co-ordinator and administrator. | £800,000 |
| Marketing costs | | £90,000 |
| Sub total | | £1,084,000.00 |
| Contingency | 10% of overall project costs | £108,400.00 |
| **Total** | | **£1,192,400.00** |



## 7.4 Funding

A key task for this project was to review and map the opportunities that are presented by EU, Welsh Assembly Government and other sources of funding to support future developmental activity with food and drink producers in Flintshire. This section briefly reviews the most appropriate funding mechanisms available through the following sources:

- ✓ Rural Development Plan for Wales (the RDP)
- ✓ Esmee Fairbairn Foundation
- ✓ The Big Lottery
- ✓ Welsh Assembly Government

It is likely that to fund a food project and a capital project that applications will need to be made to more than one source. For ease of reference **table 11** below highlights possible funding streams and the most likely areas of activity that would be considered. Please note that some funding streams may be more flexible if sufficient demand can be proved for the project.

### 7.4.1 Sources of Funding – Mapping

**Table 11**

| Funding | Details | Capital funding | Staff cost s | Marketing | Event s | Other associated project costs | Capacity building of food and drinks sector | Community engagement. | Healthy eating initiative s |
|---|---|---|---|---|---|---|---|---|---|
| **Rural Development Plan Axis 1 – Supply Chain Efficiency Scheme.** | The Rural Development Plan 2007-2013 supports rural communities, by encouraging the sustainable management of agriculture and the | More likely to fund running / rental costs of a building. | ✓ | ✓ | ✓ | ✓ | ✓ | | |

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| | environment. Axis 1 aims to improve the competitiveness of the agriculture and forestry sectors.<br><br>Measure 124 (the co-operation for development of new products, processes and technologies in the agriculture and food sector) would be the most appropriate in terms of funding. The majority of projects awarded under this axis have been 3 years in length with projects varying in terms of budget awarded between £100,000 and £2m. | | | | | | | | |
| **Funding** | **Details** | **Capital funding** | **Staff cost s** | **Marketing costs** | **Event s** | **Other associated project costs** | **Capacity building of food and drinks sector** | **Community engagement.** | **Healthy eating initiative s** |
| Rural Development Plan Axis 3 | Axis 3 aims to diversify the rural economy by | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |

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|---|---|---|---|---|---|---|---|---|---|
| | supporting farming families to diversify into non-agricultural activities; the creation of micro-enterprises and tourism activities. The following measures are the most appropriate in terms of funding: diversification into non-agricultural activities (311); creation and development of micro-enterprises (312); development of tourism activities (313). | | | | | | | | |
| **Funding** | **Details** | **Capital funding** | **Staff cost s** | **Marketing costs** | **Event s** | **Other associated project costs** | **Capacity building of food and drinks sector** | **Community engagement.** | **Healthy eating initiative s** |
| Co-operation Fund – Welsh Assembly Government and the Rural Development Plan. | The aim of this fund is to develop cross county and cross border work which strengthens relationships between counties | | ✓ | ✓ | ✓ | ✓ | ✓ | | |



 

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| | within Wales, across the border in England so that best practice can be shared and to plug any existing gaps in provision. It is administered to RDP project providers / stakeholders to fund specific events, preparation work up to 5,000 euros and longer term projects. The Welsh Assembly Government advises that the endorsement of the Regional Agri-food Unit is important in securing any funds.<br><br>The Co-operation Project fund is deemed more flexible than the RDP funding, but that funding is utilised to promote joint working across counties. The funding could be used for staffing and project activities. | | | | | | | | |



 

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| | Cross border working with English counties would strengthen any applications submitted, and demonstration of potential supply chain efficiencies. | | | | | | | | |
| **Funding** | **Details** | **Capital funding** | **Staff cost s** | **Marketing costs** | **Event s** | **Other associated project costs** | **Capacity building of food and drinks sector** | **Community engagement.** | **Healthy eating initiative s** |
| Esmee Fairbairn Foundation | The types of activity that will be considered for financial support under the food strand will influence policy and practice across a range of food-related areas. Any project would support a mix of practical projects that have wide significance, and some research and | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



 

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| | policy based work. The Foundation is keen to support work that enhances quality of life, including:<br><br>Improving access to appropriate, diverse and sustainable food in areas where availability is limited.<br><br>Enhancing understanding of the impact of food on wider well-being.<br><br>Demonstrating the positive role of food in a social context.<br><br>Scaling up effective local or regional practice that deserves a wider platform<br><br>Strategic or exceptional work that supports the | | | | | | | | |



 

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|---|---|---|---|---|---|---|---|---|---|
| | development of sustainable food systems. | | | | | | | | |
| **Funding** | **Details** | **Capital funding** | **Staff costs** | **Marketing costs** | **Events** | **Other associated project costs** | **Capacity building of food and drinks sector** | **Community engagement.** | **Healthy eating initiatives** |
| The Big Lottery – Community Asset Transfer | The Big Lottery Fund[13] is working in partnership with the Welsh Assembly Government to deliver a Community Asset Transfer Programme (CAT). This programme will provide both capital and revenue funding to support the transfer of assets, such as land and buildings, from public sector organisations to community | ✓ | ✓ | | | ✓ | | | |



13 http://www2.biglotteryfund.org.uk/prog_community_asset_transfer

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|---|---|---|---|---|---|---|---|---|---|
| | ownership. This programme might be suitable if a physical presence in terms of a hub is sought, and the successful identification of a suitable site / building.<br><br>The aim of the programme is to help communities become stronger and more sustainable by assisting them to obtain and develop assets such as land or buildings. The programme will support the development of assets transferred from public sector bodies to enterprising organisations. | | | | | | | | |
| **Funding** | **Details** | **Capital** | **Staff** | **Marketing** | **Event** | **Other** | **Capacity** | **Community** | **Healthy** |

| | | funding | cost s | costs | s | associated project costs | building of food and drinks sector | engagement. | eating initiative s |
|---|---|---|---|---|---|---|---|---|---|
| Communities Facilities and Activities Programme – Welsh Assembly Government | The above scheme also known as CFAP and is run by the Welsh Assembly Government and is open to community and voluntary organizations, providing funding for the provision of facilities within communities, and for activities which engage local people and help promote the regeneration of communities. It is a competitive application process, and open to groups / not for profit organizations that have an unrestricted income of less than £150,000. | ✓ | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | It is a source of capital funding only, and can only fund the following: physical works to buildings and related professional fees for renovation works to the building and the purchase of equipment. It will not fund revenue costs such as feasibility studies, design only projects, overheads / running costs and staff costs. | | | | | | | | |

## 7.5 Conclusion

The following conclusions can be derived from the research and evidence collated in relation to the establishment of a food hub:

- √ There is a commitment and vision by the steering group to establish a local food hub, and a consensus through their professional capacity working within the food and tourism sectors that there is a need to develop a sustainable model to promote the local food and drink offer. They also acknowledge that increased capacity in terms of staff time is required to co-ordinate the development of the hub and the promotion of local food and drink; and that public funds will need to be sought to finance the required developmental work.
- √ The key Welsh strategic documents and the potential contribution of a Local to Mold food hub to their objectives have been explored earlier in the report, and demonstrate that a facility promoting local producers, stimulating business growth and improving the local supply chain network would be welcomed particularly by the Welsh Assembly Government.
- √ Our conclusions as outlined earlier in this document as a result of discussions with producers and local businesses, is that there is a need to further promote local producers and to make local food and drink more accessible. Any ordering and distribution facility would need to be responsive to the needs of the trade, and be able to sufficiently supply local businesses.
- √ The producers felt that a hub should be established as a social enterprise and run as a co-operative by producers. This would be a similar model to the award winning Pembrokeshire Produce Direct scheme which has been established as an online local food supermarket that delivers direct to consumers, which has been lauded as an example of best practice.
- √ The food hub model as illustrated in figure 12 is designed to be flexible in terms of its central function, but the local businesses were equivocal that any local food hub facility would need to be easy in terms of ordering and that it acted as a 'one stop shop' with produce under one roof.
- √ Regardless of whether a hub facility is developed, developmental work such as marketing, promotion and the capacity building of the food and drinks sector as well as the local businesses will be essential to promote Mold and Flintshire as a food tourism destination.
- √ It will be consumers that will drive the demand for local food, either through their weekly shop, as visitors staying in B&B's / hotels or dining out. Of the relatively small amount of research available into North East Wales or Welsh consumer purchasing habits in relation to local or Welsh food, awareness of and the purchase of Welsh food is on the increase.
- √ A mixture of funding streams will probably be likely to be required to finance any hub and promotional activity, with the Rural Development Plan the most likely funding avenue as well as the Welsh Assembly Government's CFAP scheme for capital costs and The Big Lottery's Community Asset Transfer scheme if a redundant public building can be identified for transfer to community ownership.

DRAFT

# 8. Findings: Public Sector Procurement

Interviews were undertaken with procurement representatives from key organisations within the North East Wales area. The aim at this stage was to consider the food purchasing policies of various organisations, understand the current use of local produce by key public sector organisations and consider the perceived problems of sourcing locally. Public sector organiastions could be a potential target market for the food hub; as well as the provision of support to producers to tender for food and drink contracts.

A total of 6 organisations participated in this element of the research including Flintshire County Council, North Wales Police, Wrexham County Borough Council, the NHS, Welsh Health Supplies and Glyndwr University.

## 8.1 Experience by producers of procurement

During the survey we asked the food producers if they had any experience of tendering for public sector contracts, with 27% (7 businesses) saying they had and the remaining 73% (19 businesses) stating that they hadn't. Four producers supplied local schools and colleges, but they didn't have to go through a formal tendering process, with the Headmaster contacting them direct. They found that this arrangement has worked well and they had not encountered any real problems. Three of the respondents had gone through the tendering process. One producer found that communication during the procurement process was poor, and they would've done things differently in terms of their tender submission if they clearly understood what the client requirements. Another producer was unsuccessful during a tendering process and noted that they don't particularly want to tender for work and they don't actively pursue tendering opportunities. The final respondent noted that the process had been very good.

## 8.2 Background to public sector procurement in Wales

Organisations in Wales spend more than £4.5billion a year on a vast range of products and services.[14] It is estimated that 49% of this spend is won by businesses in Wales with spending supporting around 98,000 jobs in Wales. It is believed that a further 1% increase in spending within Wales could generate a further 2,000 new jobs.[15]

According to the recent *Barriers to Procurement* report, local government is the largest spender, accounting for approximately 44% of the total, followed by health (28%) and education (10%). It is estimated that approximately 5% of this total expenditure is spent on food.

SMEs play a significant role in the Welsh economy. After all, they represent 98% of all businesses in Wales and account for 59% of non public sector employment.[16] The relationship between the public and private sectors has encouraged much debate recently, especially considering the difficulties SMEs face when engaging with organisations during the procurement process. Perhaps the main argument from the business perspective has been the level of bureaucracy involved with the pre-qualification and tendering process and the inherent cost of preparing and completing necessary documentation.

## 8.3 Purchasing Policies

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[14] Opening Doors: The Charter for SME Friendly Procurement (2008)
[15] Opening Doors: The Charter for SME Friendly Procurement (2008)
[16] Barriers to Procurement, University of Glamorgan and Tenderwise (2009)

 

Public sector procurement in Wales is regulated at local, regional and supra-national levels. Each public sector organisation develops its own Standing Financial Instructions (SFI) which determines the limits of authority for departments and individuals. The SFI's will set out the level at which quotations are required and the point at which a formal tender process is required.[17]

Wrexham County Borough Council uses a decentralised approach to procurement with officers purchasing goods and services on a corporate basis while being based within departments. A network of officers is supported by a central Procurement Officer based within the Finance and Performance Department. This Officer's role across the Council is tasked with co-ordinating procurement activity, delivering advice, guidance and ensuring that the principles of the procurement strategy are facilitated and delivered. Threshold levels for opportunities vary and this level stipulates how contracts are advertised. For instance, contracts under £10,000 needs to demonstrate value for money and more than one quote can be sought. For contracts valued at between £10,000 and £25,000, three written quotations are required; contracts valued at between £25,000 and £70,000 require three formal quotations and anything in excess of £70,000 but below the EU threshold of £144,371 require three formal tenders.

The NHS on the other hand has two different types of contracting arrangements: central contracting which covers "high value, high volume lines" and local contracting which looks after three trusts. Central categories may include pharmacies and utilities and medical services whilst local categories include cleaning services and consumables and so on. All trusts source from centred stores in North (Denbigh) and South (Bridgend) Wales. Welsh Health Supplies, located in Cardiff, are responsible for negotiating these contracts although there are local managers in some areas who can make local orders against the all-Wales contract.

Glyndwr University has a procurement unit, but purchasing decisions are devolved to the Catering Manager with the procurement officers having an advisory capacity to ensure that relevant guidelines and processes are met. They do require that businesses have the relevant food hygiene certificates and also policies such as Equal Opportunities. Contracts are usually for a three-year period and are advertised in the press and they have just started using Sell 2 Wales. The University are aiming to try and make the process easier for suppliers to tender for contracts, and encourage collaboration with the Welsh Assembly Government's Supplier Development Service.

All organisations advertising OJEU level contracts place an advert on the Buy4Wales website which then appears on the Sell2Wales website for businesses. Welsh Health Supplies and Wrexham County Council advertises all contracts above EU Threshold on Bravo Solutions, which also appears on Sell2Wales. North Wales Police may choose specialist journals to raise the profile of some contracts as well as the Blue Light E Tendering System.

### 8.4 Consortia Procurement

As well as purchasing solely as one identity, it became apparent that several organisations worked in partnership with other organisations to source goods, works and services.

[17] Barriers to Procurement, University of Glamorgan and Tenderwise (2009)

 

Flintshire County Council and Wrexham Borough County Council for instance are part of a North Wales Procurement Partnership where these organisations share the responsibilities of different contracts depending on the type of product.

Indeed, such procurement purchasing policies are commonly used between organisations. After all, organisations measure their performance against “efficiency savings” based on value for money. As a result, there may be some conflict between the notion of developing good local suppliers and achieving maximum value for money, particularly through consortia purchasing.

Research conducted by *University of Glamorgan* and *Tenderwise* suggest that the existing arrangements for consortia procurement and the work of Welsh Health Supplies and Value Wales have four distinct advantages. These are highlighted in the *Barriers to Procurement* report as follows:

- The aggregated demand attracts very competitive prices and lowers unit prices, releasing ‘cashable savings’.
- It provides an auditable trail which provides transparency and accountability.
- The centralised administration and management of the contract reduces the administrative overhead for participating organisations.
- Large and longer contracts can allow suppliers to make investments in necessary infrastructure to become more efficient, improve quality and reduce costs.

Despite some evidence to suggest that small, local contractors can successfully secure a share of larger contractors, it is also likely that many smaller, local businesses remain unable to compete for local contracts. It may be argued that tendering opportunities favour larger suppliers due to the way in which these contracts have been arranged.

Some difficulties encountered by businesses involved with the tendering process can be the requirement of contracts to supply a whole county or region instead of a small number of schools / organisations. This suggests that local contractors may find it difficult to compete with manufacturers and multi-national companies. Indeed, some organisations stated that it is far easier to involve local businesses through smaller contracts.

### 8.5 Developing local suppliers

Despite looking favourably as individuals at the issue of local involvement, it emerges that there could be an improvement when engaging with local businesses.

Almost all organisations refer to their relationship with Value Wales when questioned as to how they engaged with local businesses. Despite this positive approach into tackling some of the issues or barriers involved with businesses, there seems to be a lack of ‘hands-on’ involvement when working with businesses and keeping them informed of developments within the locality. This may be due to the constraints involved with the tendering process and the fear of favouring any type of business.

The Welsh Health Supplies however have identified the need to involve and to make local businesses aware of future opportunities. Due to the restrictions involved with the procurement process and the difficulty in advertising 'local' contracts, Welsh Health Supplies attempt to raise awareness of some opportunities amongst Welsh businesses prior to advertising contracts. This tends to happen six months prior to advertising the contract through OJEU. Following identifying possible produce and businesses and informing them of future opportunities and the requirements set as part of the contract, this should allow adequate time for businesses to prepare for the contract. Some businesses for instance may need to update risk assessments and other policies and accreditations. The way in which the organisation supports businesses will often depend on the commodity. Around 5 years ago, this process along with close collaboration between Welsh Health Supplies, Meat Promotion Wales and various abattoirs ensured that Welsh beef could be supplied across all trusts in Wales. They have also started engaging with the Welsh Assembly Government and its Supplier Development Service, with the aim of organising Meet the Buyer style events in the future. This example demonstrates that despite the limitations with the procurement process, it is possible to work with local businesses to deliver contracts or at least contribute to their development as a business.

Problems encountered during the tendering process by the public sector organisations that took part in this survey include the lack of attention to detail by suppliers in terms of ensuring that all documents are submitted on time and all relevant parts of the tender submission are complete. Welsh Health Supplies noted that all suppliers would need to be able to demonstrate in the future that they can conduct their business electronically from communication, ordering through to invoicing. Their aim is to make as many transactions as paperless as possible. This will pose a particular challenge for the smaller food producers who lack proficiency in IT and electronic communication / systems. These developments are likely to become commonplace as more organisations try to streamline their processes, demonstrate environmental efficiencies and collaborate jointly to procure goods and services.

Indeed, it seems that supporting local suppliers may come at an extra cost to public sector organisations, especially with the possibility of consortia purchasing being available. It may be beneficial to delve deeper into the type of support required by suppliers in the food industry and to question whether it is appropriate for organisations to make significant "cashable savings" and "efficiency gains" when judging food related contracts which have health implications.

## 8.6 Conclusions

The following conclusions can be made from the evidence above:

- √ Flintshire food and drink producers on the whole do not actively seek tendering opportunities, and even those who have experience of tendering had mixed responses. Those who had undergone the formal tendering process would've appreciated more information about the client needs; and they would've undertaken the process differently next time round.
- √ As an increasing number of public sector organisations adopt stricter procurement processes, it would seem from discussions with Flintshire producers that more needs to be done to promote these opportunities and the provision of practical support in terms of the tendering process and necessary requirements.
- √ It would seem from the producer's limited experiences, that there are no standardised procurement processes within some individual schools and colleges

 

and the decision makers are free to purchase from local suppliers. This informal arrangement has worked well for the local producers, and could be a potentially untapped market for the smaller producers.

- √ Consortia procurement processes are increasingly being adopted where organisations work in partnership to source goods and services, and can be seen as favouring established and larger producers. It is likely that small producers might lose out unless they can either work in partnership with other businesses to compete, or become sub contractors supplying the larger distributors or producers.
- √ Common problems encountered by organisations procuring goods were the lack of attention to detail in the tender submission; inability to fully meet the criteria by not completing tenders fully and tenders not submitted on time.
- √ The larger public sector organisations such as Welsh Health Supplies, will require businesses when tendering to demonstrate that they can conduct their business electronically, from communication, ordering through to invoicing as they are becoming increasingly paperless environments. This will pose a particular challenge for the smaller food producers who lack proficiency in IT and electronic communication / systems. These developments are likely to become commonplace as more organisations try to streamline their processes, demonstrate environmental efficiencies and collaborate jointly to procure goods and services.

# 9. Conclusions and Recommendations

For ease of reference, the following conclusions and recommendations have been grouped in line with the original research objectives as outlined in the brief. Indicative costs have also been included where possible for any recommendations to be carried out.

**1 Establish what demand there is from food retailers, the hospitality sector and public procurement in the Mold area for local produce. Whether they would support a Local to Mold hub shop in the town centre and brand food as locally produced in their outlets**.

Conclusions

- √ Restaurants, pubs and B&B's are the most likely businesses in and around the Mold area to purchase local produce, and therefore would be key target markets for any food hub.
- √ 77% of all businesses surveyed stated that they sourced Welsh food and drink products for their business. This is extremely encouraging and demonstrates that local businesses do seek and use Welsh produce within their businesses.
- √ When asked 49% of respondents (based on a sample response of 41 businesses) sourced their produce that were produced or grown in Flintshire, with 42% sourcing produce from North East Wales.
- √ The main drivers for purchasing local / Welsh food and drink products by 62% of the sample is to support the local economy / producers; 57% felt that the quality is better with 53% stating that the produce is fresher and 42% stated that consumers demand local produce.
- √ Key issues and barriers to sourcing local produce noted by the sample include the price (25%); availability (23%) and regular supply (13%). There was a perception amongst the sample surveyed that Welsh produce is more expensive.
- √ During the survey and focus groups, it became inherently clear that the ease of purchasing food and drink was important such as having everything under one roof and access to a directory of local producers. No doubt ease of access would be a factor in determining whether local businesses would use a local food hub.
- √ The business benefits of using local produce noted by the businesses include, meeting consumer demand; potential for repeat business and to satisfy Visit Wales graders during assessment visits.
- √ The hub should be seen as an intermediary facility or an introduction agency that brings together producers, the hospitality, retail and tourism sectors as well as ultimately consumers to promote the development of the local supply chain, as well as developing a political agenda around an alternative food system in north east Wales.

- √ A number of practical considerations will also need to be examined in terms of the location of the food hub – that it was convenient and accessible; the range and type of produce available; and how local food is defined in terms of geography.
- √ 72% of local tourism, hospitality and retail businesses from the overall sample of 53 stated that a food hub would be beneficial to their business. The key benefit as stated by 38% of the sample surveyed was that it would be convenient to have everything under one roof making local food and drink more accessible.
- √ Competitive pricing was deemed the most essential element of a food hub, followed by quality, availability and accessibility. Even though a food hub might have all the essential elements, the hub would need to be managed effectively to ensure repeat custom, and that staff were also knowledgeable.
- √ Whilst 26% of the businesses surveyed felt that the hub should be a shop; attitudes had shifted during the focus group, with the participants stating that a shop would displace existing businesses. It was also noted during the focus groups that businesses envisaged the hub would service both the trade and local consumers, but that it had a predominantly wholesale function. The ordering process should be simple and that a delivery service was also offered.
- √ The producers when surveyed felt strongly that the food hub should be a producer led co-operative, providing opportunities to promote local producers within the locality and across the border. Producers felt that a co-ordinator would need to be employed to market and promote the local food offer, as they didn't feel that they had the required expertise to do this.
- √ Producers felt that it would be essential that a food hub was able to disseminate information to consumers about local food; be able to bridge gaps in the market and afford opportunities for networking between producers. The ability to access business support was also seen an important function of the food hub for producers.
- √ Flintshire food and drink producers on the whole do not actively seek tendering opportunities, and even those who have experience of tendering had mixed responses. Those who had undergone the formal tendering process would've appreciated more information about the client needs; and they would've undertaken the process differently next time round.
- √ As an increasing number of public sector organisations adopt stricter procurement processes, it would seem from discussions with Flintshire producers that more needs to be done to promote these opportunities and the provision of practical support in terms of the tendering process and necessary requirements. Consortia procurement processes are increasingly being adopted where organisations work in partnership to source goods and services, and can be seen as favouring established and larger producers. It is likely that small producers might lose out unless they can either work in partnership with other businesses to compete, or become sub contractors supplying the larger distributors or producers.
- √ The local food hub could facilitate these opportunities and encourage producers to form a consortium to bid for public sector contracts.
- √ It would seem from the producer's limited experiences, that there are no standardised procurement processes within some individual schools and colleges and the decision makers are free to purchase from local suppliers. This informal arrangement has worked well for the local producers, which could be a potentially untapped market for the smaller producers and for a local food hub.

- √ There were mixed reviews to the Local to Mold logo mainly due to the following factors: lack of clarity as to what was meant by local to Mold; some felt it was too niche a market limited to a relatively small geographical area; a small number of hospitality businesses stated that they would welcome a logo and felt that visitors would welcome it also.
- √ From the lessons learnt of other food logo schemes, strong brand guidelines and sufficient financial investment in the execution of the brand will be required to ensure the sustainability and longevity beyond any public funding period.

Recommendations

a) The research findings should be disseminated to businesses in the area in a concise and effective way. As ongoing consultation and communication will continue to be important in terms of raising awareness, it will also ensure that businesses feel that their views are being heard.

b) With regards to the 'Local to Mold' slogan and logo, further work is required to define and provide a criteria in terms of what is meant by local to Mold in terms of the geography and the product. Whilst there was some resistance by mainly the producers to adopting it, if executed and planned correctly it could be an effective point of sale tool in retail outlets. It could be expanded to incorporate other towns within Flintshire e.g. Local to Holywell, with the number of food miles noted next to the logo on shelving, as stickers and information about the scheme available at tills. Estimated costs to compile branding guidelines can vary from £1500.00 - £2000.00.

c) Informing businesses of future opportunities in supplying the public sector within the area could allow businesses to prepare for the process and to consider any necessary support e.g. tendering or advice on any policies and accreditations. Joint working between either the new hub facility or Cadwyn Clwyd with the Welsh Assembly Government's Supplier Development Service could provide an important link between public sector organisations and businesses working in the food sector. It could also prove beneficial to establish a local project working with the public and private sector as an intermediary with the aim of encouraging local participation.

d) The hub and any other related activity should not displace any existing local projects or duplicate mainstream schemes that are currently in operation, but add value.

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**2 Production of a business case for the Local to Mold hub shop based on evidence from the study.**

√ The following model is proposed within this report as a food hub, which is not a traditional shop retail facility, as there was some unease amongst both producers and ultimately local businesses about the possible displacement of other retailers within the town. Its key functions would be:

- As a physical hub established in one location, that would be run as a social enterprise and formed as a co-operative run by local producers.
- To increase accessibility to local food for businesses as a 'one stop shop' facility where local produce can be accessed under one roof, as

 

well as the provision of information about local products in the form of a directory.
- Develop an online and telephone ordering facility, as well as a delivery service.
- A clear strategy for the branding, marketing and information exchange about local food and drink.
- Deliberate methods engaged through events and information sharing between producers and the hospitality, retail and tourism sectors to encourage increased purchase of local food and drink.

√ There is a commitment and vision by the steering group to establish a local food hub, and a consensus through their professional capacity working within the food and tourism sectors that there is a need to develop a sustainable model to promote the local food and drink offer. They also acknowledge that increased capacity in terms of staff time is required to co-ordinate the development of the hub and the promotion of local food and drink; and that public funds will need to be sought to finance the required developmental work.

√ The key Welsh strategic documents and the potential contribution of a Local to Mold food hub to their objectives have been explored in the report, and demonstrate that a facility promoting local producers, stimulating business growth and improving the local supply chain network would be welcomed particularly by the Welsh Assembly Government.

√ As a result of discussions with producers and local businesses, there is a need to further promote local producers and to make local food and drink more accessible. Any ordering and distribution facility would need to be responsive to the needs of the trade, and be able to sufficiently supply local businesses.

√ The producers felt that a hub should be established as a social enterprise and run as a co-operative by producers. This would be a similar model to the award winning Pembrokeshire Produce Direct scheme which has been established as an online local food supermarket that delivers direct to consumers, which has been lauded as an example of best practice.

√ The food hub model as illustrated above is designed to be flexible in terms of its central function, but the local businesses were equivocal that any local food hub facility would need to be easy in terms of ordering and that it acted as a 'one stop shop' with produce under one roof.

√ Regardless of whether a hub facility is developed, developmental work such as marketing, promotion and the capacity building of the food and drinks sector as well as the local businesses will be essential to ensure the sustainability of the sector, and in the promotion of Mold and Flintshire as a food tourism destination.

√ It will be consumers that will drive the demand for local food, either through their weekly shop, as visitors staying in B&B's / hotels or dining out. Of the relatively small amount of research available into North East Wales or Welsh consumer purchasing habits in relation to local or Welsh food, awareness of and the purchase of Welsh food is on the increase.

√ The estimated cost of a physical food hub based on renting premises and other associated activities such as marketing and the capacity building is £1,192,400.00 over a three year period. Please note that these are indicative costs only.

<u>Recommendations</u>

 

a) If a food hub was to target consumers, further research would be required into the potential demand for local produce, purchasing patterns as well as investigate the socio economic profiles of consumers and visitors to the area.

b) There are insufficient numbers of producers and range of products currently in Flintshire alone to justify a wholesale or retail hub, and it would need to stock produce from other counties. Further investigation is required into the range and number of producers in the neighbouring counties of Denbighshire and Wrexham, to ensure that a hub could meet the demands of the trade / consumer.

c) Study tours of other food hubs would be beneficial, and an opportunity to gain first hand insight into operational issues, lessons learnt and sustainability issues.

d) There is a need to map out existing business support provision and promote the findings of this research in order to plan a co-ordinated approach which would address the issues within the sector and thus avoid duplication. The group should continue to establish strong working relationships with other support agencies in order to continually develop their understanding of the services available to businesses. Continuing to understand the type of assistance available outside the County would be of benefit as many businesses seek support and attempt to develop contacts further afield.

e) It is recommended that funding is sought to employ a full time officer that would be able to co-ordinate and develop the food hub, as well as any marketing activities to start promoting the food offer. To attract a suitably qualified candidate with the relevant marketing and project co-ordination experience, the salary range could be from £25,000 to £30,000 per annum plus any relevant overhead costs, employer costs, pension contributions and travel. Having an officer may save on external consultant costs if they are experienced in compiling marketing and promotional campaigns, as well as conducting market research.

f) Further investigation will be required into the current local distribution channels operate e.g. direct sales, wholesalers and retailers. A better understanding of these is likely to create further opportunities in terms of the supply and distribution of local food and drink.

g) If a food hub model led by producers is to be adopted, there will need to be further discussions held to promote the opportunity and to seek out whom and how many producers would be interested in being involved in the project.

h) This research study has provided a baseline of information within the Flintshire area. Many businesses also stated whilst completing the surveys that it had raised their awareness of the need to support the local economy. It would be interesting to undertake a similar survey in the future – which could form a part of any monitoring and evaluation of the food hub and related activities - to test whether the businesses' awareness and purchasing behaviours have changed over time.

i) The stakeholder list needs to be revised and consist of key strategic and local influencers such as the Welsh Assembly Government, Tourism Partnership North Wales and key local business people who can act as spokespeople and advocates of Flintshire produce. The focus group participants would be an excellent starting point.

j) A full business plan for a food hub will need to be completed or commissioned, with a full cost analysis and cash flow forecasts compiled. Sustainable exit strategies should be thoroughly analysed to ensure that the food hub can be self sustaining when any public funding period ends.



 

3 **Production of an analysis of the findings with recommendations as to the opportunities for the sustainable development, retail and marketing of locally produced food.**

- √ When examining promotional activities in other areas across Wales, the majority have dedicated staff working full time on promoting and support local producers, and have strong strategic support by either the Welsh Assembly Government or Local Authorities.
- √ The types of events organised across other areas of Wales are varied, but are mainly targeted at the hospitality, retail and tourism businesses to try and generate more interest in local food and drink. These include Meet the Producer events where businesses are invited to sample and purchase local produce; speed networking events again where businesses can network and actively promote their produce. Meet the Buyer events are also popular, where food and drink producers showcase their produce to key buyers such as large local businesses, public sector organisations retailers, larger multiples and distributors. Again the focus is on deliberately seeking new routes to market by bringing businesses and buyers and / or key decision makers together.
- √ Other areas in Wales examined in this report have or are trying to create a culture where local food is seen as an important contributor to the local economy. Working across counties to promote the food and drink offer will afford additional opportunities to pool resources and strengthen any promotional activity.
- √ Any successful promotional campaign is reliant on utilising a variety of communication techniques including mobile and internet technology. The table below features some possible promotional activities that could be undertaken utilising a variety of communication methods within and outside of Flintshire.
- √ Due to the close proximity of Flintshire to Cheshire, cross border activity and joint working should be maximised and capitalised on to generate new routes to market, especially in promoting the local food hub and the local food offer. There is also a range of printed media available which target businesses and consumers just either side of the border that could be targeted to generate increased PR.
- √ The geographical diversity of the county needs to be capitalised to promote the food tourism offer such as the coast, market towns and designated AONB, promoting quality producers and eating establishments that may be located in places of interest or potential tourism honey pots. A bank of case studies could be developed which demonstrates best practice and provide inspiration to other businesses to follow suit either to start their own food production business or to adopt more local produce on the menu.

<u>Recommendations</u>

a) An immediate action point is the need to create a promotional plan to promote local producers within the county and beyond to both the trade and to consumers. Funding will also be required to execute any promotional activity.

b) Promotional activity should be focused on creating awareness and making information about local producers, food and drink products more accessible and if possible that it is in a suitable format that could target the trade, local consumers and visitors / tourists to the area.



 

c) Business to business activity should focus on fostering networks through informal group sessions and event such as Meet the Producer type activity to encourage more awareness of producers amongst the tourism, hospitality and retail businesses. Also masterclasses on local and Welsh food and drink would raise awareness of the range of produce available.

d) In terms of promoting the area, local food and provenance - especially amongst businesses within the tourism, hospitality and food retail sectors - training for staff within these establishments on how to promote local produce would be beneficial. This could also incorporate sessions on how businesses can use local produce as a marketing tool for the benefit of their business e.g. on their menus, websites and literature. It would greatly assist in raising awareness amongst consumers of the local producers and the food and drink that's available in the area.

e) Closer linkages should be made with Tourism Partnership North Wales and the Welsh Assembly Government's Food Fish and Marketing Development Division in North Wales to ensure there is strategic backing for any activity. There would also likely to be opportunities to undertake joint promotional activity that could raise the profile of Flintshire producers in a cost effective way.

f) Price will always be a key factor when considering local sourcing. Businesses should be made aware of other important factors such as quality, reduced food miles and the positive effect on the environment and how they can promote this to their customers. Past evidence shows that price is not always a hurdle and case studies should be used to highlight the benefit of local sourcing.

**4 Identify where current funding opportunities exist – and map these against potential projects that will move the local food market forward.**

- √ The following funding streams have been identified as potential avenues to fund future activity:

  **Rural Development Plan (Supply Chain Efficiency Scheme & Axis 3), Welsh Assembly Government** – The aim of the RDP is to improve the competitiveness of the rural and agricultural economy through innovation and the development and establishment of micro businesses. The running costs of a hub e.g. staff costs; overheads; marketing; running events and the capacity building of the food and drinks sector would be considered under this scheme pending discussions with the relevant Agri-Food Executives within the Welsh Assembly Government. Any proposed support mechanisms would need to demonstrate that there is no duplication with other local or mainstream providers.

  **Rural Development Plan (The Co-operation Fund), Welsh Assembly Government** – This fund will assist in the development of cross county (within Wales) and cross border initiatives to share best practice and to plug any current gaps in provision especially in the development of the food and drinks sector. The funding could be used to fund staffing costs, any initial developmental work, events and marketing. This fund is deemed as more flexible. Following initial discussions, the Welsh Assembly Government are keen to learn more about any proposed developments in Flintshire and if there are any opportunities to fund joint activities with Denbighshire and Wrexham, as well as targeting counties across the border in England.

  **Esmee Fairbairn Foundation** – The foundation will support food related projects that will influence policy as well as improve access to appropriate diverse and sustainable food where availability is limited; enhance the understanding of the impact of food on wider well-being as well as demonstrate the positive role of food in a social context. This fund would probably suit community engagement activity as well as healthy eating initiatives; which could be seen as adding value to the central activity of a hub as well as contributing to the triple bottom line of a social enterprise co-operative.

**The Big Lottery and the Welsh Assembly Government, Community Asset Transfer** – There is capital and revenue funding available for the transfer of assets from public to community ownership, and could be used to fund a building for a food hub.

**Communities Facilities and Activities Programme, the Welsh Assembly Government –** This scheme will provide funding for the provision of facilities for activities that engage local people and help in the regeneration of communities. It is a capital only fund and is available for physical works to buildings and related professional fees for renovation works. This fund might be suitable in the development of a physical presence for the food hub.

- √ A mixture of funding streams will probably be likely to be required to finance any hub and promotional activity, with the Rural Development Plan the most likely funding avenue as well as the Welsh Assembly Government's CFAP scheme for capital costs and The Big Lottery's Community Asset Transfer scheme if a redundant public building can be identified for transfer to community ownership.
- √ It is highly unlikely that Rural Development Plan funds will finance retail activities as retail businesses are generally either not eligible for European funds or the funding available is very limited.

<u>Recommendations</u>

a) Following a meeting with local producers to gauge interest in establishing a food hub co-operative, discussions should be held with the relevant local Agri-Food Executive Officer within the Welsh Assembly Government to determine sources of funding available, how much is likely to be available to finance such a project and what they would be able to finance. This should ideally precede any business planning exercise, as various projects and funding bodies will have their own application process and forms to complete.

b) As noted in the report, there is an insufficient range of produce purely from Flintshire to fully meet the needs of local businesses; and there will need to be partnership working with Denbighshire and Wrexham to develop a sufficient supplier base. This could also be extended to promote the food tourism offer regionally, and funding should be sought to develop promotional activities to further promote the region's food offer.

c) If finance is sought to develop a community project within the hub's activities, the project should complement and add value to business activities and organisational objectives. This will avoid any potential confusion in the marketplace and ensure that activities don't veer too far from the original mission and aims.

 