# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Investing funds in Hybu Cig Cymru – Meat Promotion Wales (HCC) to deliver an Enhanced Export Development Programme** |
| **DATE**  | **9 October 2017** |
| **BY** | **Lesley Griffiths AM, Cabinet Secretary for Environment and Rural Affairs** |

I am attending the Anuga trade exhibition in Cologne, Germany today to support our delegation of Welsh food and drink producers taking part in this important event. It has never been more important to raise Wales’ international profile and proactively promote our quality food and drink to the world. Our efforts are making a real difference.

Over the past year alone, our food and drink exports have increased by 20%. This is increasing at a faster rate compared to the UK as a whole, which grew 9.5% over the same period. We want to maintain this positive upward trend and will continue to work in partnership with industry through the Food and Drink Wales Industry Board, in driving towards our shared vision of sustainably growing overall sales in the industry by 30% to £7bn by 2020 and achieving the recommendations of the Food and Drink Action Plan.

During my visit to Anuga, I will be announcing Welsh Government investment of £1.5m over three years from next year for Hybu Cig Cymru – Meat Promotion Wales (HCC) to deliver an Enhanced Export Development Programme to support the red meat industry in Wales.

HCC indicate only 5% of lamb produced in Wales is consumed in Wales, with up to 40% being exported outside the UK. It is estimated over 90% of these exports are traded within the European Union single market, worth over €200m per year. The Welsh red meat industry is heavily reliant on global export markets to achieve premium prices. Strong overseas demand uplifts farm gate prices and helps to balance supply and demand thus securing greater returns for the supply chain. This demonstrates the significance of export markets for the Welsh red meat industry.

With the impending departure of the UK from the European Union and the uncertainty over the terms of access to key markets after 2019, the Welsh red meat industry faces a significant challenge in prioritising the maintenance of existing export markets and the development of new ones. The current uncertainty may already be affecting the export market as existing customers consider seeking alternative supply from other parts of Europe so the risk to them is reduced.

The Welsh Government funding and delivery by HCC of the enhanced export programme will, therefore, deliver against the strategic need to further develop export markets and market access, at this critical time. The programme is a direct response to the significant challenge the industry faces with the uncertainty of future trading arrangements post-Brexit.

The enhancement of HCC’s export programme has the potential to increase sales of Welsh red meat by £4.6 million, secure and protect current sales of £58 million per annum in existing markets over the three years of the programme and , within five years of new markets being opened, a further £44 million of red meat sales. Delivery of these increased returns to the industry will, in turn, contribute to supporting jobs, growth and wealth in Wales, particularly in rural areas.

We clearly need to continue to strengthen and future-proof our industry and be ambitious in our outlook. It is vital HCC continue to support the industry to maintain key markets in Europe, as well as developing market access further afield. I am confident this investment and the support to be delivered by HCC will help the red meat industry to meet the national and international challenges and opportunities in the next few years.