



The farming, food, and drink sector is an important part of our economy, responsible for over 3.5 million jobs and 7% of Gross Value Added. It has a key role in driving strong and sustainable growth, particularly through exploiting overseas markets. International trade is also important in terms of improving productive efficiency and enhancing global food security.

Exports in the agri-food sector have been growing steadily, with 2010 seeing the sixth consecutive year of growth in value to £16 billion.

### Exports Action Plan

On 27 January 2012, Defra, UK Trade & Investment (UKTI), and industry announced Driving Export Growth in the Farming, Food and Drink Sector: a plan of action.

### Driving Export Growth in the Farming, Food and Drink Sector: a plan of action

This Action Plan will drive export growth in the farming, food and drink sector by:

Working to open markets and remove trade barriers

Helping build a business mindset of exporting as a key route to growth

Encouraging more SMEs to explore overseas opportunities and supporting those who already export do more

Shifting the focus of the sector towards the opportunities of emerging economies where there is the greatest future growth potential.

The Action Plan sets out how government and industry will work together to achieve these objectives. In short, it will do this by lobbying for the removal of trade barriers that restrict access to new markets, ensure that the right information and support is available to help businesses succeed overseas, simplify food export paperwork for companies, and strategically champion the UK's reputation for outstanding farming, food and drink.

### Key Facts & Figures

The USA, France, Germany, Spain and Ireland together account for over half of all UK agri-food and drink exports. These are markets which are geographically close, have a large number of ex-pats, and with historic cultural links to the UK. They also provide limited growth opportunities. As high-growth consumer powers emerge exports need to be re-orientated to take advantage of new opportunities. The combined value of UK agri-food and drink exports to Brazil, Russia, India, China and Mexico, which together account for 44% of the world's population, is less than the UK exports to Belgium.

China, USA, India, Russia and Brazil are expected to be the top five retail grocery markets by 2015.

Research across sectors shows that exporting is good for businesses, with organisations that export demonstrating higher productivity levels, stronger financial performance and greater longevity.

Our research indicates that fewer than one in ten SMEs in England in the agri-food sector export, breaking down to 3% for crops and animal production, 17% for manufactured food products, and 20% for beverages. This is less than the UK (21%) and EU (25%) average for SME exporters across sectors.

What next?

Government and industry jointly own this Action Plan. As activities progress, priorities change, and we learn from experience, we plan to develop and refresh the actions. The Agri-food and Drink Exports Forum will review progress and we will report back in a year's time on the results of our work.

How was the Action Plan developed?

This Action Plan has been developed by Defra, UKTI, and the farming, food, and drink industry, and is based on the work of a Project Steering Group (comprising Defra, UKTI, Agriculture and Horticulture Development Board, the Food and Drink Federation, the Food and Drink Exporters Association, and the Scotch Whisky Association) and consultations with other Government Departments and bodies.

We spoke to over one hundred companies, industry organisations, and trade associations to identify the obstacles to export growth for the sector, and hosted two stakeholder workshops in 2011. In total we collected over 70 issues – ranging from specific concerns to overarching problems. Drawing on this evidence gathering we have identified 3 key areas to unlock export potential for the sector:

Export certificate services for agri-food and drink products, and other trade barriers

Coordination and dissemination of exporting information

Export support from government and industry, and the presence at international trade shows

The development of the specific actions has been overseen and challenged by an Agri-food and Drink Exports Forum, a group of top exporting companies of different sizes across a range of agri-food products, co-chaired by the Minister of State for Farming and Food and Paul Grimwood, Chairman and CEO of Nestlé UK and Ireland. The Exports Action Plan is the outcome of all this work.

The Action Plan has been developed from a largely England perspective, though the benefits will in many cases be UK-wide and the plan does identify key actions around reserved matters such as trade policy. In taking the plan forward, Defra and UKTI will also work in collaboration with the Devolved Administrations of Scotland, Wales and Northern Ireland.