Market Analysis of the Food Service Sector in Powys

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1. Introduction

Glasu and various partners, such as the Brecon Beacons National Park Authority, have previously held “meet the producer” events aimed at encouraging the supply of locally produced food and drink to local consumers and businesses. However, no research has focussed specifically on particular opportunities in Powys. This has been particularly true in reference to the food service sector – accommodation providers, restaurants, cafes, pubs, etc – which could be a profitable market for small-scale producers and improve the food tourism offer of the county. At present many small-scale producers do not have the resources to conduct their own in-depth market research and the sector can therefore appear supply-led rather than demand-led.

Glasu, the Leader+ Programme in Powys, was approached by ADAS to carry out a project to survey the food service sector in Powys. Consultants from ADAS had worked with food producers in Powys to support applications for funding and they believed these clients would have found this research useful.

The purpose of the research was to investigate what hotels, restaurants and pubs across Powys would like to see from food producers in the area in order to increase the amount of local food they serve. Hotels and restaurants have been identified as an important market with increasing demand for locally produced food both from the local population and tourists.

2. Objectives of the Analysis

The objective of the project was to investigate the interest and demand for local foods from the food service sector in Powys, with a view to advising local growers on key growth sectors and market trends.

3. Methodology

A telephone survey was carried out with food service establishments across Powys. ADAS consultants drew up a list of over 200 key contacts in food service in Powys, using a number of sources such as food directories, yellow pages and websites such as Wales Tourist Board, etc. It was decided to exclude outlets such as takeaways, which were unlikely to be interested in serving local foods, and focus on the premium end of the market – cafes, restaurants, pubs and hotels. By coincidence, most of the establishments interviewed did have chefs on site.

ADAS consultants devised a questionnaire, which covered topics including:

- Estimates of the proportion of all foods used which was local
- Advantages/disadvantages of using local suppliers
- Types of suppliers used and how they were rated overall
- Delivery mechanisms
- Desired developments in the market for local food
- Policy on food currently used and of use in future
- Amounts of local foods used and interest in the future
- Views on future trends in local foods

Where necessary, appointments were made with respondents to call back at a convenient time. 17 owner/managers requested a paper copy of the survey for self – completion and 3 were returned from this number.

In all a total of 33 questionnaires were completed, 30 of these by telephone with the remainder received by post or fax. All interviews took place in April 2007. The questionnaire and details of participants can be found in Appendices 1 and 2 respectively.

Following the interim results from the quantitative research, in order to explore any issues with local food in more detail, a second strand of qualitative research was carried out with a mix of hotels/restaurant/public houses in Powys. ADAS consultants devised a discussion guide for use in these depth interviews. Businesses were selected from the remaining list of contacts to give a representation of type and location. In all, 11 face to face interviews were conducted in May 2007. Appendix 3 provides details of the discussion guide used in the depth interviews.

This report details the findings from the quantitative research, which is based on a sample size of 33 unless stated otherwise and the subsequent 11 depth interviews.

4. Quantitative Findings

4.1 Profile of Businesses

15% of the businesses which took part in the survey had a turnover between £11k and £50k, with 9% between £51k and 100k. The majority of businesses (55%) had a turnover between £101k and £500k, with the remaining 6% at the higher end having a turnover above £500k.

The average number of employees was 12, with a minimum of 2 and maximum of 40. The average number of visitors per week was 303; the minimum was 20 and maximum was 1346.

4.2 Local Sourcing

The majority of respondents said they sourced local foods within Powys county (66%). 42% said they sourced up to 30 miles from their establishment. Over one third (36%) were prepared to source from neighbouring counties only 3% of respondents did not source any foods locally. While this was a multi-response question, it can be inferred that for the majority of respondents, 'local' would seem to mean within the county.

Respondents, in the main, were not able to estimate the volumes of local food used; the average value was £599 per week, with a minimum of £60 and a maximum of £2500 (based on 25 replies).

Almost three fifths (58%) estimated that over half of their food produce was sourced locally, with nearly one fifth (18%) sourcing between 41% and 50% locally. The vast majority (88%) offer local foods in their hotel/restaurant/café every day.

4.3 Advantages and Disadvantages of Local Supply

The key advantages included the freshness and (therefore) quality of the product, support for the local community and businesses in Wales, the convenience of having product delivered directly to the doorstep and the knowledge of the source and efficacy of the products. 9% mentioned the reduction in food miles when buying local.

Over one third (36%) felt that there were no disadvantages in using local foods. 30% cited cost as a disadvantage:

Sometimes big producers are cheaper

Produce could be bought 30% cheaper

Cost, but we don't object, as quality is better

Issues regarding the supply chain were highlighted by 15%:

No delivery system set up to deliver large quantities

Using one outlet would be cheaper, now have to shop around

Variable availability, kept on shelf too long at source

Can be difficult to get hold of.

Related to this were also issues regarding choice for 12%:

Choice not that great, we have to go with what's available

Can't always get what you are looking for

4.4 Types of Supplier Used

The table below details the types of suppliers used for local foods.

Table 1: Types of Suppliers Used

Supplier	%
Local cash and carries	42
Wholesalers	42
Egg farm	6
Butchers	64
Fruit and vegetable supplier	42
Local market	3
Ice cream maker	3
Farmer	12
Shops/supermarket	12
Various local producers	12

Three quarters of respondents (75%) rated their suppliers as 'very good', with a further fifth (21%) rating them as 'good'. 3% rated them as 'neither good nor bad'.

The main reasons for these ratings were given as good service/quality, prompt delivery, good relationship and reliability.

4.5 Delivery of Local Food

For the majority of respondents (94%) local food was delivered directly to them, although 46% did pick up food themselves also. 9% collaborated with other businesses in the area and 3% used a distributor some of the time.

Almost three fifths (58%) were happy with the availability of local foods, while one third (33%) were not. 9% did not have a view on this.

The developments which respondents would mainly like to see include more promotion/advertising (33%) and some suggested setting up a local directory of what was available:

Advertising, a directory on what's available, supplier nationally marketed.

Unable to find different suppliers, a directory would be useful

15% made comments regarding supply. Some would like more companies supplying local produce, a form of growing co-operative or more abattoirs. Two respondents had problems in sourcing local fresh fish, cheese and meat from organic farms due to delivery problems.

Some would like more farmers markets (6%).

When asked if they would be prepared to pay a premium for locally produced foods, the majority seemed to recognise that local food could command a premium over 'non local' supply. Over one-third (36%) believed that they were already paying extra for local food and felt that customers were prepared to pay more for it. Of those who mentioned particular percentage premiums they would be prepared to pay (21%), 9% said an extra 10%, 6% said they felt 20% was acceptable, 3% a 5-10% premium and 3% 10-15%. 15% of respondents were not prepared to pay a premium, at all, believing that this could impact on the profitability of their business or they could not pass this on to the customer.

4.6 Policy on Foods Sourced

The tables below provide details of how respondents currently source particular food sectors and how they would consider sourcing in the future.

Conventional relates to foods

Table 2: Current Sourcing Policy

Sector	Conventional	Free range	Traditionally grown (no artificial chemicals)	Organic	No reply
Fruit	88		3	15	
Vegetables	76		3	27	
Meat	52	64	6	12	
Fish	67	21	3	3	
Dairy	70	36	3	9	
Preserves	82			6	15
Bakery	82		3	9	9
Drinks	85		6	9	6

%, Base = 33

Table 3: Future Sourcing

Sector	Conventional	Free range	Traditionally grown (no artificial chemicals)	Organic	No reply
Fruit	6		12	18	64
Vegetables	6		6	30	61
Meat	9	27	3	33	49
Fish	6	15	3	15	68
Dairy	6	24	3	12	58

Preserves	6		6	9	82
Bakery	6		6	6	79
Drinks	9		6	9	76

The majority of respondents are using conventional sources of supply, but there are opportunities to develop sectors, such as Organic.

4.7 Food Sectors

Respondents were asked to provide details of the food products they currently used and would like to use in the future, and to provide approximate volumes and values. Very few of the respondents were able to provide any detail on individual product sectors. The tables below provides details of the percentage of respondents who currently use the products listed and those who would like to use them in the future. Where respondents were able to estimate the value of produce used, the average value is provided at a total sector level.

4.7.1 Fruit and Vegetables

Table 4: Use of Local Fruit and Vegetables

Sector	Currently use % respondents)	Would like to use (% respondents)	Current value (£ per week)
Fruit			**128**
Apples	52	3	
Strawberries	52		
Pears	36	9	
Blueberries	24	9	
Vegetables			**145**
Potatoes	85		
Tomatoes	82	3	
Salad leaves	82	3	
Mushrooms	82		
Carrots	82		
Leeks	76		
Herbs	64		
Broccoli	15		
Onions	12		
Cauliflower	12		
Swede	12		
Parsnips	4		

4.7.2 Meat and Fish

Table 5: Use of Local Meat and Fish

Sector Meat/Fish	Currently use % respondents)	Would like to use (% respondents)	Current value (£ per week)
Meat			**325**
Beef	88		
Lamb	85		
Chicken	85	3	
Pork	79		
Mutton	39	3	
Turkey	33	3	
Guinea fowl	15	6	
Venison	12		
Pheasant	9		
Duck	6		
Veal	3		
Pate	3		
Fish			**94**
Farmed Trout	24	3	

4.7.3 Dairy

Table 6: Use of Local Dairy Products

Sector- Dairy	Currently use % respondents)	Would like to use (% respondents)	Current value (£ per week)
Dairy			**94**
Milk	79	3	
Cheese	79		
Eggs	79		
Ice cream	70	3	
Yogurt	30	3	
Cream	27		

4.7.4 Preserves

Table 7: Use of Local Preserves

Sector- Preserves	Currently use % respondents)	Would like to use (% respondents)	Current value (£ per week)
Preserves			**17**
Jam	49		
Chutney	46	3	
Honey	21	3	

4.7.5 Bakery

Table 8: Use of Local Bakery Products

Bakery	Currently use % respondents)	Would like to use (% respondents)	Current value (£ per week)
Bakery			**43**
Bread	67	6	
Cakes	24		

4.7.6 Drinks

Table 9: Use of Local Beverages

Sector- Drinks	Currently use % respondents)	Would like to use (% respondents)	Current value (£ per week)
Drinks			**28**
Bottled water	18	3	
Apple juice	15	3	
Cider	3		
Perry		3	

Clearly certain local food categories are more extensively sourced than others – product areas such as vegetables (potatoes, tomatoes, salad, mushrooms, carrots) and meat (beef, lamb, chicken, pork) have over 80% of respondents buying into them.

Undoubtedly some products which were quoted as locally sourced are in fact obtained from elsewhere in Wales than Powys. There is currently not the capacity in Powys to provide the volumes of local food claimed to be used.

There would seem to be room to develop product sectors in all the main categories including fruit, poultry, fish, dairy and drinks.

4.8 Key Future Trends

On the whole, respondents felt positive about the future of local foods. It was felt that local generally means better quality and freshness. Increasingly consumers, particularly tourists, expect to find local foods.

> *"(The trend) will continue upwards, people are expecting more local products".*

There is also increasing recognition of the distances some food products travel:

> *"People are more aware of air miles/travel rules and seasonality, so freshness and containing no preservatives are key".*

Some saw the supply of local foods as almost a duty for the local community:

> *"People are getting to know that to keep the local community, they have to buy local".*

Some believed that the 'local' element should be highlighted more in advertising:

> *"People enjoy local food, I'd like to see it advertised as local produce"*

> *"Go as local as possible, keep it simple and market local"*

> *"Local foods should be more widely used if accessible. Attract more tourists if advertised as local foods".*

One respondent had a clear idea on growth areas:

> *"Organic free range is the key. Seasonal specialities, local producers need to get their act together regarding supply! Using couriers at purchase cost is not an option"*

4.9 Summary

- The majority of establishments had turnover of £100k+ (61%) with 6% over £500k. ie relatively small scale business.
- Average value of local food used per week is c£600 per establishment. Around three fifths source over half their food needs locally either directly or via wholesaler (assumed to be locally sourced)
- Advantages of local foods include the freshness, quality, knowledge of the source, convenience and also the belief that it is good for local communities and good for Wales.
- Although cost was cited by under one third of respondents, there was a recognition that local food could command a premium over standard supply (up to 20%). It would seem that the major disadvantage of local food is the supply chain – availability of different food products and quantities can be variable and choice can be limited. As around one third were unhappy with the availability, this is a key area which could be improved.
- The developments which respondents would mainly like to see include more promotion/advertising (33%) and some suggested setting up a local directory of what was available.
- Respondents did not have a clear understanding of quantities and values of individual products used in their establishments.

5. Depth Interviews

5.1 Profile of Organisations Taking Part

Table 10: Profile of Organisations Taking Part

Organisation	Profile
Powis Castle, Welshpool	National Trust Property. Café and Restaurant promoting local foods in line with NT thinking. Clients include mainly daily visitors from West Midlands and Tourists on holiday. Tend to be older age group.
The Hat Shop, Presteigne	Restaurant catering for mainly local trade and some tourists. Good access to Counties of Hereford/ Shropshire to purchase range of products.
Mountain Centre, Libanus, Brecon	Brecon Beacons National Park Authority. Lunches and tea-room provided to 120,000 visitors per year. Mainly tourists. Manager is also involved with Hay Food Festival, Summer Fair Brecon and Beacons Food Festival.
River Café, Glasbury	Owned by dedicated chef and looking for 50% local offer. Tourists with a keen interest in food are the main customers.
Red Lion, Newbridge	Oldest pub in Wales. Serves 120 meals per day in peak season. Pub meals with traditional menu. New owners but they are from the locality. Growing, thriving business that attracts locals and tourists from far afield based on the food served.
Dyffryn Restaurant, Foel near Welshpool	Remote location in NW area of County. 50% of customers are tourists- rest local farmers. Owners from a farm background producing own meat.
Pilgrims Tea Room, Brecon Cathedral	Owned and managed by a lady dedicated to local food. Café with a good local and tourist through put.
Tipple and Tiffin, Theatr Brycheiniog, Brecon	Restaurant and Bistro attracts Tourists, Theatre-goers, Locals and Bed and Breakfast Trade.
Lion Hotel, Builth Wells	Steady but seasonal trade with locals and tourists especially around Hay Festival and Royal Welsh Show time.
Buckland Hall, Bwlch	Owned by a Trust as a retreat and venue for weddings and conferences. Vegetarian cuisine. Group bookings in general and large groups often accommodated.
Usk Inn, Talybont-on-Usk	Privately owned. Mainly local trade. Lots of competition in village for customers.

5.2 The Market for Local Foods in Powys

5.2.1 Use of Local Foods in Restaurants/Hotels

All the establishments showed a very strong commitment to local food and great interest in the study. When further questioned, the owners/managers detailed what they were using and said that they would be prepared to order more local food. All gave very positive comments about the quality of local food.

The establishments used local food mainly because they wanted to support the local community and local farmers, with this being particularly the case in the more rural areas. Also, owners/managers felt the quality and freshness of local food was better. In some establishments, such as the National Trust, customers are increasingly requesting local foods and indeed local foods seem to be now expected. For other locations, the degree of interest varied, although for most establishments customers expected local red meat and Welsh cheese. Some restaurants such as Pilgrims and The Hat Shop have a reputation for using local food which particularly attracts customers.

5.2.2 Frequency of use of Local Foods

All participants stated that they use local foods whenever they can buy locally and that they were regular users of local products. They quoted availability, seasonality and supply chain issues as key barriers to using local food more frequently.

5.2.3 Products Used (volumes/values)

For all of the respondents, their largest purchases of local foods was in the product areas of red meat, fruit and vegetables and most were able to provide details of expenditure per week or month in these sectors. For red meat, this ranged from £2000/ month to £200 depending on the establishment. It would seem that most establishments are able to source local red meat through local butchers with little difficulty. The actual volumes purchased however per restaurant/etc in general are small and fragmented. There are also seasonal variations depending on the tourist trade.

5.2.4 Disadvantages of Local Food

Generally, the establishments were very complimentary about the products they currently purchase and at first, did not see any disadvantages with local foods. However, when pressed, some drawbacks came to light. Although price became an issue for a minority, it would seem that all are willing to pay more for local foods - at least 10%, with a top limit of 20-25% for a few. All felt however, that they were currently paying a premium for local foods.

Another disadvantage of using local food spoken about was *lack of choice.* Buckland Hall in particular was having delivery problems from their supplier.

They can't deliver fresh goods on the day we require it.

5.2.5 Variety of Local Foods Available

The variety of local foods available varied across the county - those in the north and east were happy with the variety, while those in the south and west felt more limited in their choice. The supply of red meat was felt to be good throughout the region. Product areas such as dairy, fish, fruit and vegetables were difficult to source unless the wholesaler had a supplier.

5.2.6 Foods Which are Difficult to Source

In the south of the county, dairy products and white meat, especially poultry were difficult to source. In the north, the game and venison caused difficulties. Largely throughout the county, except near the Hereford border, fruit and vegetables presented difficulties and especially large quantities of salads. (This was particularly so for the River Café). Other product sectors mentioned were t, and also berries, traditional fruit and juices.

Some owners were growing vegetables in their own gardens for use in their establishments.

5.2.7 Popular Local Foods

The most popular local foods quoted were Welsh lamb, beef and cheeses. There is also increasing interest in butter, cream, ice-cream and white meat. Welsh baked goods such as Welsh cakes and Bara Brith are also important.

5.2.8 Developments in Menus in the Last Five Years

It would seem that menus tend to change more frequently now than, for example, five years ago. This can be due to a variety of reasons, such as the influence of new owners taking over and the desire to provide increasing variety for customers. Also, seasonality of local foods has become more of a driver of menu change. Most establishments reflect seasonality in some way and are trying to educate their customers about this. It would seem that some proprietors are reflecting and perhaps capitalising on the seasonal nature of local food more than others. For example, Powis Castle change menus monthly and communicate this to customers by placing cards on tables, with information about the products and menu changes.

5.2.9 Promotion of Local Foods

The degree to which establishments promote their local food offer can vary considerably. Some premises such as Powis Castle, Pilgrims, Red Lion major on the food offer and provide details of the products available. The more dedicated establishments such as The Hat Shop, Pilgrims and the Mountain Centre said they tried to source from a 30-mile radius. Others just state ‘local’ on the menu and were not sure of the source – *here ‘local’ meant ‘via the local wholesaler’.*

5.3 Supply Chain

5.3.1 Sourcing Local Foods

A large range of sources is currently being used. Some use the farmers markets and food festivals/events, but the majority are too busy to attend these. Some use website searches and various directories that have been produced. Significantly, potential suppliers rarely approach proprietors directly to talk about local foods. When this does happen, it is very positively received and they are all very keen to try any products available.

5.3.2 Awareness of Local Producers and New Products Available

Respondents showed mixed knowledge of local producers – some felt that if producers had been in the area a long time, they would be known. Many owners were too busy to seek out producers and left this for wholesalers/distributors to do.

Respondents almost universally felt that they would be unaware of any new products available, unless a current supplier/wholesaler approached them. The exception was Powis Castle, where they are working closely with an ice-cream maker. Most considered this to be a potential area for development and consideration by manufacturers/suppliers.

The proprietors felt that they had to be the pro-active ones and that suppliers/manufacturers could do more to promote local foods. Most used the farmers' markets and web-sites only. Demand for an up-to-date, easy access directory was expressed, which could be web-based.

5.3.3 Barriers to Buying More Local Food

"Availability, choice and awareness of what is out there" were common comments. Interestingly, rarely was price quoted as a barrier.

5.4 Distribution/Pricing Issues

5.4.1 Price of Local Food

Most would be prepared to pay up to 10% more for local food products, up to a ceiling of 20%. All would be prepared to swap their current supplier for a local one, provided the following occurred, in order of priority:

- Price was right
- Quality was good
- Reliability of supply

5.4.2 Distribution Systems

Most proprietors use Redbridge, Castell Howell, Vin Sullivan and have a local butcher to deliver meat. Some had suppliers delivering products such as eggs directly. Most did not wish to have more than four vans per week arriving at their premises. Some are collecting food themselves - Buckland Hall go to Waitrose (Abergavenny) to purchase cheese. Cash and Carry sources are also used in north of county.

Many establishments when dealing with the larger distributors were *relying on the wholesaler/ distributor to find the local produce.*

Some said- *I really don't know how local it is!*

All commented that there is an opportunity for local distribution system(s) to supply local products within the county. Most said they were very happy with the service from their current distributor but doubted how local some products are.

5.4.3 Invoicing/Payment Terms

Monthly invoicing or cash on delivery are used throughout the group.

5.5 Future Developments

5.5.1 Future for Local Food in Powys

All are very supportive of local foods and want to source more products and greater volumes locally. They are prepared to pay premiums but think that suppliers should work together to even-out volume issues. Also they believed that the 'local' offer will have to have a free-range or organic aspect too, to remain attractive to customers and command a premium in the future.

5.5.2 Key Growth Areas

The key mainstream growth areas are white meat, fruit and vegetables (probably organic) and some niche products- cheeses, butter, ice-cream, trout.

The table below summarises the growth potential for product areas discussed.

Table 11: Growth Potential for Product Areas

Significant	Niche
White meat/poultry	Trout/Salmon
Root vegetables	Fruit (berries)
Salads	Ice-cream
Powys cheese	
Powys milk	
Powys butter	

5.5.3 Main Actions Which Could Grow the Market for Local Food

The key actions highlighted by proprietors included:

- Improved communication between purchasers and suppliers
- Improved co-operation between producers to cope with seasonal supply and volume issues
- Suppliers to be more professional in their approach and understand purchasers' needs, regarding issues such as delivery schedules and reliability of supply

5.6 Summary

- All owners are very committed to local food and would like to be able to buy more.
- In general there is not a great deal of interaction between suppliers and purchasers and proprietors have little time to research the market.
- Owners would like to be approached by more producers/suppliers in a more pro-active way.
- There is a need for suppliers/producers to be more professional and co-operate to ensure reliable supply is maintained and adequate volumes delivered for key sectors and geographical areas. See recommendations 2 and 3
- Owners would welcome an up to date directory of producers and purchasers of local food to ensure everyone is aware of and knows where to find information on who is producing/ buying what and how to get hold of them. This would most likely be available via a website and promoted. See recommendation 1
- With regard to distribution systems, there would be benefit in a locally based or co-operative venture to co ordinate suppliers to meet fragmented purchasing for smaller premises. See recommendations 2 and 3

- Concerning prices, all owners are prepared to pay a premium for locally produced food but the local offer will probably have to include free range/organic options in the future too to continue to justify this premium. The ‘local’ message will not be enough.
- There is particular demand for poultry, trout, Powys cheese, butter and milk products, salad vegetables and berries. Actual volumes concerned are difficult to quantify based on this study and a feasibility study would be necessary for any producer considering venturing into these sectors. ADAS has recently produced a report for CALU which provides crop production guides and gross margin analysis for a range of vegetable crops http://www.calu.bangor.ac.uk/infosheets/Increasing_vegetable_production.pdf . This report is meeting the need expressed by Welsh farmers interested in diversifying from commodity production of meat and milk.
- Better marketing of local foods to consumers is needed to promote the sustainability aspects - low food miles, community benefits, good animal welfare etc

6. Conclusions and Recommendations

6.1 Conclusions

A number of key themes emerge from the two strands of the research.

Clearly there is a great deal of interest and commitment to local foods within the foodservice on Powys. Two thirds of owners in the quantitative research said that they sourced foods within Powys county, with 4 in 10 saying that they sourced within thirty mile of their establishment, with an average spend of £600 per week per establishment. Only 3% did not source any food locally. 'Local' implies freshness, quality and also support for local communities. Users recognise that local can be a key selling point and more and more customers are requesting local.

This ties in with previous research from the IGD[1]. In 2005, one report quoted that 70% of British consumers wanted to buy local food and 49% wanted to buy more than they were already doing, with freshness being the overwhelming reason to buy local and regional food. These buyers were a discerning customer group and were not prepared to tolerate inferior products. The most popular product categories highlighted were fruit and vegetables, eggs, bread, milk, red meat and poultry.

Other research carried out in 2005[2] found that over half of consumer and trade respondents believed that it was important to have Welsh or locally produced food and drink on the menu in Wales. Price and availability were the main deterrents for the hospitality sector to provide more local foods. Over the past 2 years, price itself would seem to be less of an issue, with the majority of foodservice personnel claiming that they would be prepared to pay a premium for local food, even up to 20% in cases.

From this research, the key growth areas for local food, and where most of the interest lies, seem to be;-

- Dairy products including milk cream, butter and cheese throughout the county. Ice-cream in the south of the area.
- Salads- fresh, regular reliable delivery in quite large volumes particularly in the mid and north of the county. Also garnishes and edible flowers.
- Root vegetables county wide
- Trout county wide
- Berries and Juices county wide

The need for co-operation and better communication between growers/ producers and purchasers cannot be overemphasised. This includes direct communication via personal contact and also through literature and web material. The food service sector would benefit from having more information on the growers and products available. Similarly, growers would be able to market their products better with this information.

Also the food service sector require a more professional approach from suppliers. This includes reliable and timely delivery, particularly of fresh material.

[1] The Local and Regional Food Opportunity, Institute of Grocery Distribution, March 2005
[2] Demand and Commercial Opportunity for Welsh Produce in the Foodservice sector, 2005. WDA. 1017 interviews with consumers, 508 interviews in hospitality sector and 40 interviews with public sector buyers.

Relationships with the distributors/wholesalers are seen as key. Some of the larger more national companies are doing a great job though doubts were expressed as to how local food really is. Some of the local distributors cannot cope with demand.

6.2 Recommendations

6.2.1 A Directory of local producers and suppliers in Powys.

The need for a directory of organic food producers and suppliers has been addressed for the whole of Wales by OCW and three directories are currently available:

1. A Welsh Organic Trade Directory – a searchable directory of Welsh organic trade suppliers and distributors;

2. a Local Organic directory containing details of where to buy organic produce all over Wales

3. Where to Eat & Where to Stay - a guide to organic farms, authentic food and quality accommodation in Mid Wales which lists 17 such businesses in Powys.

(see www.organic.aber.ac.uk).

These directories are all pan Wales and are restricted to certified organic businesses. Such a guide would also draw upon other existing datasets such the True Taste Award winners & commendations, the recently formed Powys Growers Group and a number of web-based directories, etc. The directory could provide details of types of foods available from particular suppliers along with estimates of volumes.

6.2.2 A Powys Food Sales and Marketing Agency

Getting goods from producer to markets such as Food Service is a major financial and time cost. In Powys, costs are increased because of the long distances between centres and the poor quality of much of the transport infrastructure. Furthermore, as businesses grow, producers find it difficult to allocate time to sales and distribution. One solution is to hand over provision of a consistent and reliable service to a third party.

The wider food industry has become competitive with increased consolidations and squeezed margins and this has led to companies outsourcing to specialist sales and marketing agencies (SMAs). Industry analysts suggest that the SMAs role will become stronger and that they will continue to develop further services for their principals.[3] Already, the organic dairy and distribution company, Calon Wen is currently setting up a distribution network which will make it easier for smaller producers and growers to market their produce around the whole of Wales. Their vans are refrigerated so there is no need for packaging such as chiller packs and polystyrene boxes. Powys certified organic producers could link into this initiative and contact details are available.

More generally, Glasu could commission a feasibility study to examine the possibility of developing Food Sales and Marketing Agency for Powys to make the distribution of local food more cost and time efficient for Powys producers.

[3] See, Johanna Thompson, "Outsourcing Delivers*" The Grocer Guide to Sales & Marketing Agencies* 1 April 2006

6.2.3 A Distribution Food Hub for Powys

Food hubs can reduce distribution costs, facilitate support structures such as food haulage and wholesale business and share local storage capacity. The creation of mini-consolidation points or local food hubs strategically placed in Powys could offer a cold storage unit and warehouse and packhouse facilities in order to facilitate networking and interaction. One Food Hub example is *Source,* the North Somerset Food Hub set up in Exmoor and the Quantocks with the involvement of Somerset Food Links, Exmoor National Park Authority, local Producers, Tower Farm and Somerset Planners and Environmental Health Officers, (see www.foodlinks.org.uk). Another example is the Appetite Distribution Centre set up in Brittany by Biopole, under the Interreg RAFAEL project.

6.2.4 Production Guides

Glasu could commission a series of guides for producers in each food sector similar to that produced by ADAS for CALU for vegetable producers - (http://www.calu.bangor.ac.uk/infosheets/Increasing_vegetable_production.pdf) These food sector guides would provide technical information specific to the situation in Powys and would provide gross margin analyses and typical budgets.

Appendix 1: Questionnaire

Powys Food Service Questionnaire

***INTERVIEWER:* PLEASE ASK TO SPEAK TO THE PERSON RESPONSIBLE FOR BUYING FOOD OR MAKING DECISIONS ON WHICH FOOD IS SERVED.**

Good morning/afternoon. My name is … from ADAS, a consultancy in Wales. We are carrying out a survey on behalf of Glasu, the LEADER+ organisation in Powys concerned with the adding value to local food and developing new markets for local produce. We are hoping to interview a considerable number of food service managers across Powys, in hotels, restaurants, cafes and shops to explore opportunities for locally produced foods. Your replies will be treated confidentially and you will not be quoted directly in a report.

Would you be willing to take part in this interview? It should take no more than about 20 minutes to complete.

(Interviewer: Please write in details)

Interviewee	
Business	
Type of business (pub, restaurant, hotel)	
Interview date	
Interview time	
Interviewee	

Section 1: Local Sourcing

1. Do you currently source any foods/drinks that are produced locally? (i.e. not just from a local wholesaler/cash & carry)

(Please tick appropriate box)

Up to 30 miles ☐1 Within neighbouring counties ☐3

Within Powys county ☐2 No ☐4

2. Could you estimate what volume and value of food is sourced locally (per week/month)?

Volume ☐ kilos Value £ ☐

3. Could you estimate what percentage of the foods you purchase for your business is local?

0 – 10% ☐1

11 – 20% ☐2

21 – 30% ☐3

31 – 40% ☐4

41 – 50% ☐5

50%+ ☐6

4. How often would you say you offer locally produced foods to your customers?

Every day ☐1

2-3 times per week ☐2

Once a week ☐3

2-3 times/month ☐4

Less often ☐5

Never ☐6

5. What are the main advantages of using local producers?

(Interviewer - Write in answer)

6. And the disadvantages?

7. Which suppliers do you currently source local food from?

	Yes	No
Local cash and carries	☐1	☐2
Wholesalers	☐1	☐2
Others (*Please specify below*	☐1	☐2

8. How would you rate your current suppliers overall?

Very good	Good	Neither good nor bad	Poor	Very poor
☐1	☐2	☐3	☐4	☐5

9. Why do you say that?

10. How is local food currently delivered to you? *(Please tick the answer which usually applies)*

Food is delivered to us ☐1

We pick the food up ourselves ☐2

We use a distributor *(Please specify below)* ☐3

We collaborate with other businesses in the area of distribution or would be interested in doing so ☐4
(Please explain below)

11. Do you think locally produced food is widely enough available to businesses like yours? Yes ☐1 No ☐2

12. What developments would you like to see to make it more available?

13. Would you be prepared to pay a premium for locally produced food? Please explain below.

14a. Could you please state your policy on food you currently source?

	Conventional	Free range	Traditional/no artificial chemicals	Organic
Fruit	☐1	☐2	☐3	☐4
Vegetables	☐1	☐2	☐3	☐4
Meat	☐1	☐2	☐3	☐4
Fish	☐1	☐2	☐3	☐4
Dairy	☐1	☐2	☐3	☐4
Preserves	☐1	☐2	☐3	☐4
Bakery	☐1	☐2	☐3	☐4
Drinks	☐1	☐2	☐3	☐4

14b. Policy on food you would consider sourcing:

	Conventional	Free range	Traditional/no artificial chemicals	Organic
Fruit	☐1	☐2	☐3	☐4
Vegetables	☐1	☐2	☐3	☐4
Meat	☐1	☐2	☐3	☐4
Fish	☐1	☐2	☐3	☐4
Dairy	☐1	☐2	☐3	☐4
Preserves	☐1	☐2	☐3	☐4
Bakery	☐1	☐2	☐3	☐4
Drinks	☐1	☐2	☐3	☐4

15. I would like now to go through a list of foods to get a feel for how much local food you currently use, or would use.
I will go through each sector in turn.

		Currently use	Would like to use	Approx amount (kilos/week)	Approx value (£)	Price prepared to pay (£)
Fruit	Apples	☐1	☐2			
	Pears	☐1	☐2			
	Blueberries	☐1	☐2			
	Strawberries	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			
Vegetables	Carrots	☐1	☐2			
	Leeks	☐1	☐2			
	Potatoes	☐1	☐2			
	Tomatoes	☐1	☐2			
	Salad leaves	☐1	☐2			
	Mushrooms	☐1	☐2			
	Herbs	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			

		Currently use	Would like to use	Approx amount (kilos/week)	Approx value (£)	Price prepared to pay (£)
Meat	Lamb	☐1	☐2			
	Mutton	☐1	☐2			
	Pork	☐1	☐2			
	Beef	☐1	☐2			
	Chicken	☐1	☐2			
	Turkey	☐1	☐2			
	Guinea fowl	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			
Fish	Trout	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			
Dairy	Milk	☐1	☐2			
	Cheese	☐1	☐2			
	Yoghurt	☐1	☐2			
	Ice-cream	☐1	☐2			
	Eggs	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			
Preserves	Jam	☐1	☐2			
	Chutney	☐1	☐2			
	Honey	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			
Bakery	Bread	☐1	☐2			
	Cakes	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			
Drinks	Bottled water	☐1	☐2			
	Apple juice	☐1	☐2			
	Cider	☐1	☐2			
	Perry	☐1	☐2			
	Other *(Please specify below*	☐1	☐2			
		☐1	☐2			
Novelty	(Catch all for anything else)	☐1	☐2			
	Other *(Please specify below)*	☐1	☐2			
		☐1	☐2			

16. What do you see as the key future trends with local foods?

Section 2: Business Details

17. Could you please state which band the turnover of your business falls into?

Up to £10k ☐1

£11 - £50k ☐2

£51 - £100k ☐3

£101 - £500k ☐4

£501+ ☐5

18. Could you please provide some details on your business?

Number of employees	
Number of outlets	
Main location(s)	
How long business has been in operation	
Ownership (family, private, etc)	

19. How many visitors do you get per week/month/year?

20. Can you state what your trading terms with suppliers are? *(Please tick appropriate box)*

Payment within 2 weeks ☐1

Payment within 30 days ☐2

Payment within 30-60 days ☐3

Other (*please specify below* ☐4

21. Could you please state which age band you fall into?

- 18 – 24 ☐ 1
- 25 – 34 ☐ 2
- 35 – 44 ☐ 3
- 45 – 54 ☐ 4
- 55 – 64 ☐ 5
- 65+ ☐ 6
- Refused ☐ 7

Thank and close

Appendix 2 Participants in Telephone Interviews

Business	Location	Type of premises
Centre Alternative Technology	Machynlleth	Café
Strand	Talgarth	
Old School	Brecon	
Bridge Street Café	Brecon	
Wye Knot Stop	Brecon	
Aleppo Merchant Inn	Caersws	Hotel
Abergavenny Hotel	Abergavenny	
Baskerville Arms Hotel	Hay on Wye	
Bell Hotel	Talgarth	
Black Boy Hotel	Newtown	
Brynafon Country House	Rhayader	
Dragon Hotel	Montgomery	
Elephant & Castle	Newtown	
Felin Fach Griffin	Brecon	
Gliffaes Country House Hotel	Crickhowell	
Llangoed Hall Hotel	Brecon	
Plas Dolguog	Machynlleth	
Lloyds Hotel & Restaurant	Llanidloes	
*Anonymous		
Radnorshire Arms Hotel	Presteigne	
Carlton Riverside	Llanwrtyd Wells	
Bell Country Inn	Llandrindod Wells	Public House
Cock Hotel	Brecon	
Dolau Inn	Newtown	
Kestrel Inn	Brecon	
Griffin Inn	Brecon	
Crown Inn	Rhayader	
Cottage Inn	Montgomery	
Bradford Arms	Oswestry	
White House Inn	Brecon	Restaurant
Bishops Meadow	Brecon	
Drovers Rest	Llanwrtyd Wells	
Bistro Hafren	Llanidloes	

* One hotel owner did not provide details of the business.

Appendix 3: Depth Interviews Discussion Guide

Powys Food Service

Depth Interviews Discussion Guide

Introduction

ADAS is speaking to a range of hotels, restaurants and pubs across Powys to investigate what they would like to see from food producers in the area in order to grow the market for local food in Powys. Glasu, the LEADER+ Programme for Powys, is working with food producers to help develop new products and raise awareness of local food.

We would like to explore some of the issues concerning this in more depth and would be grateful if you could spend 20-30 minutes of your time to discuss this. Is this a convenient time? (Agree to speak at this time or arrange a suitable time to call back).

Introduction - Use of Local Foods

- Do you currently use local foods in your establishment?
- Why do you use local foods?
- Do your customers ask for them?
- How often do you use them - occasionally/regularly/often?
- What products/types? (volumes/values)
- Any disadvantages in using local foods?
- What do you think of the variety of local food available to you?
- Are there any types of foods that are hard to get hold of? Which products/categories?
- Which local food products are the most requested/popular with your customers?
- How have your menus changed over the last 5 years? (Special menus/seasonal menus?)
- Do you promote local foods on your menus?

Supply Chain

- How do you get hold of local foods?
- Do you feel you find out about new products available? (How/why not?)
- Do you know who the local producers are?
- How do you go about buying more local food/finding out about local producers?
- What prevents you buying more local produce? (Prompt if needed: Don’t know where to go/small range of products/quality issues etc)

Distribution/Pricing

- Would you be prepared to pay extra for local foods?
- What distribution system(s) are you using? (Vans/central resource)
- What are your invoicing/payment terms?

Future

- How do you see the future for food supply in Powys? (Split between conventional/traditional/organic/free range)
- What are the key growth areas? Organic/Speciality/Niche
- What are the key growth areas for local foods – list top 5 products – estimated future volumes? Would you buy regularly/occasionally?
- Would you be prepared to swap your current supplier for a local producer?

Wrap Up

- Is there one thing that could be done to grow the market for local food? What is it?
- Any other comments regarding the supply of local food?
- Thank and close.