



Food and Drink **Exporting**

Five steps to success post COVID-19
and EU Exit transition





FIVE STEPS TO EXPORT SUCCESS

Food and drink exports are a UK success story. Reaching nearly £24 billion in 2019, they have grown every year since 2015. However, the COVID-19 pandemic has significantly impacted our industry. UK food and drink exports are down 14% and all of the top 5 markets recorded negative growth*. As we reach the end of the EU Exit transition period, exporters will face further challenges. Our success in restarting and expanding exports will be key to the UK's post-COVID-19 economic recovery.

The Food and Drink Sector Council (FDSC) exports workstream, which brings together experts on exports policy from government, the devolved nations and industry, has been working towards improved specialist export support for UK food and drink businesses both during the COVID-19 pandemic and in the long-term as the trading landscape changes post-transition period. Their vision is for the UK to become a world-leading exporter of high-

quality food and drink products, encouraging more SMEs to export, including both existing and new exporters, and delivering accelerated growth in UK export sales.

The Food and Drink Federation (FDF), Food and Drink Exporters Association (FDEA) and the Agriculture and Horticulture Development Board (AHDB) – members of the FDSC – have come together to support the recovery of UK food and drink exports and produced this guide to help businesses successfully navigate the export process and signpost a range of support that can help. It also signposts a range of support that can help exporters that have been impacted by COVID-19 and support businesses post-transition.

Key terms are explained, questions answered and support offered through five simple steps, concluding with an overview of useful contacts and links to webinars, virtual and physical meet-the-buyer events as well as trade fairs that can help your business to grow its exports.



1 ASSESS YOUR BUSINESS

Is this the right time for your business to export?

5 THINGS TO CONSIDER:

- Assess whether your organisation will **benefit** from new business in key export markets. What are the potential opportunities and risks?
- Determine whether you have the **resource**. Do you have the time, finance and skills to maximise these opportunities? Ensure exports are a core strategic priority in your business.
- Evaluate whether you are prepared to develop **long-term relationships** with overseas buyers. Do you have the time to maintain relationships with trusted international partners?
- Judge whether you can **invest** to adapt your products. Will you have the resource to ensure compliance in target markets?
- Assess your **online presence**. Selling virtually is essential, particularly during the COVID-19 pandemic.

5 STEPS TO TAKE:

- Speak to **experts** in AHDB, FDEA and the Department for International Trade (DIT) about whether your company is ready to export. Scotland Food and Drink, Invest NI and Food and Drink Wales can help companies in Scotland, Northern Ireland and Wales.
- Listen to experts speak about successful exporting. There are a wide range of **webinars** available through trade associations, market research organisations and [DIT](#).
- Do some **research**. Look at FDF's export [snapshots](#) to understand which markets have the most potential and AHDB's market [reports](#) highlighting consumer demand for dairy and meat products. Take part in virtual and physical trade missions as well as trade fairs to build insight and contacts.
- Check out the **competition** to assess if there is room for you to compete and survive in target markets.
- Create a simple export **plan**. Pull all of this together and assess whether you have the resources and skills to grow your business overseas.

KEY OUTCOME:

Are you ready to start exporting? Research and identify the opportunities and barriers, and use this to make your plan.



DO YOUR RESEARCH

Gain an understanding of potential international customers and their customers

5 THINGS TO CONSIDER:

- Determine which countries you should **target** and which have **growth potential**. Make a shortlist and focus your research on routes to market. [FDF's](#) export snapshots and [AHDB's market reports](#) indicate the current top UK food and drink markets.
- Assess which markets import or consume the **largest quantities** of your product. Is there a trend for your product in a specific market? Experts in your trade association or representative body may be able to help with category specific information.
- Assess your **competition**. Research online stores of the top retailers in your markets.
- Assess **cultural practices** in your target market and how this may affect consumption and demand. These can differ between regions. The Department for Environment, Food and Rural Affairs (Defra) is preparing reports on growth opportunities in India, the UAE and the US. Markets closer to home may offer good opportunities for your products, such as those in Europe.
- Consider the **demographics**. To which customers should you be selling your products?

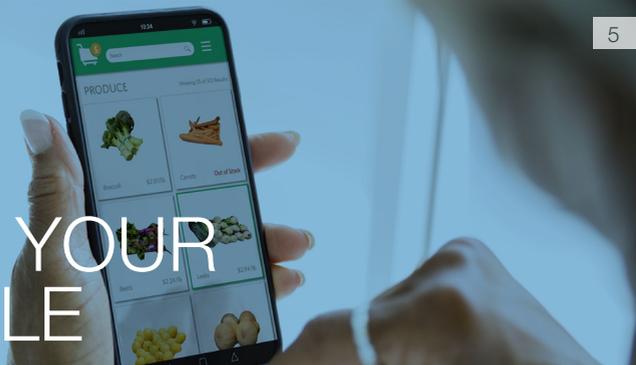
5 STEPS TO TAKE:

- Think about **market access**. Are you allowed to sell your product in your target market? Whether you plan to sell directly, through agents, distributors or third parties, you need to consider the implications of choosing that route in each market.
- Develop a clear **marketing strategy**. Promote the Unique Selling Points (USPs) of your product and make sure you understand the profile of potential end customers and important trends in your target markets.
- Consider any **product modifications** you may need to make and differing **food safety standards** in your target market. Product labelling requirements may vary. Technical experts in your trade association or representative body will be able to advise.
- Think about **costs** before quoting prices. There can be additional labelling, packaging, transport and documentation costs to consider. Most buyers will want to receive a product sample, before committing to a product. DIT has set up the Great British Food Box [initiative](#) and can organise the distribution of samples.
- Understand the **routes to market** and additional margins/taxes that will apply throughout the supply chain. [E-commerce](#) is a popular route to market, particularly in China.

KEY OUTCOME:

Gather all the relevant information about your chosen market(s), think about compliance, logistics and market dynamics that will impact your export plan.

3 RAISE YOUR PROFILE



Build your online presence and create opportunities to embrace change

5 THINGS TO CONSIDER:

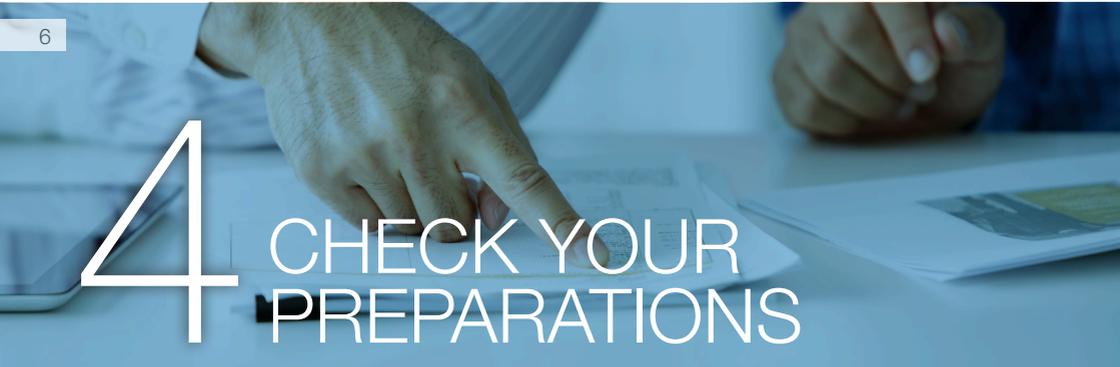
- › Think about your **visibility**. Are your website and social media platforms up-to-date, accessible and do they reflect your international ambitions? Are you using the right media for the right market? Investigate which is relevant to your target market.
- › Consider exhibiting at both virtual and physical (when possible) **trade fairs** or attending meet-the-buyer events. Many organisations are hosting virtual trade fairs while travel is restricted due to COVID-19.
- › Contact your [DIT trade office](#). Your **local trade office** can put you in touch with British embassies, Defra agri-counsellors and consulates and provide support, answering specific questions you may have. Sign up to receive export opportunities [here](#).
- › Ensure your **online shop** can handle non-UK customers. There are plenty of opportunities to sell online and this route to market will continue to grow. List your business on DIT's [Great British Food Box](#) to connect with international retail and foodservice buyers and distributors.
- › Sign up to receive updates from **FDEA, AHDB and FDF**. Trade associations have a wealth of information, expertise and contacts on exports, regulatory issues and business opportunities.

5 STEPS TO TAKE:

- › Attend **virtual** and **physical meet-the-buyer events or trade fairs** in your target markets. Businesses can access [TAP grants](#) to attend selected trade shows. Post-COVID-19, meeting international buyers face-to-face will also be an option to develop insight and personal relationships.
- › Learn how to protect your **intellectual property**. This is one of your most important assets and understanding how to protect this in different markets is essential.
- › Talk to your **bank** and **UK Export Finance (UKEF)**. Your bank will be able to advise you on international payments and protecting yourself from currency volatility. UKEF can help you win export contracts, fulfil orders and get paid.
- › Explore ways to **protect yourself** against non-payment and lost or damaged goods. Make sure you are insured and go through proper channels to secure agreements. UKEF can help by insuring against buyer default.
- › Talk to other **experienced exporters**. Join FDEA and FDF to benefit from networking opportunities and to gain insight from our successful exporters.

▪ KEY OUTCOME: ▪

Make your company and products visible to potential customers in target markets and those that can help you on your export journey.



4 CHECK YOUR PREPARATIONS

Make sure your business understands the basic practicalities of exporting, particularly as the EU Exit transition period ends on 31 December 2020

5 THINGS TO CONSIDER:

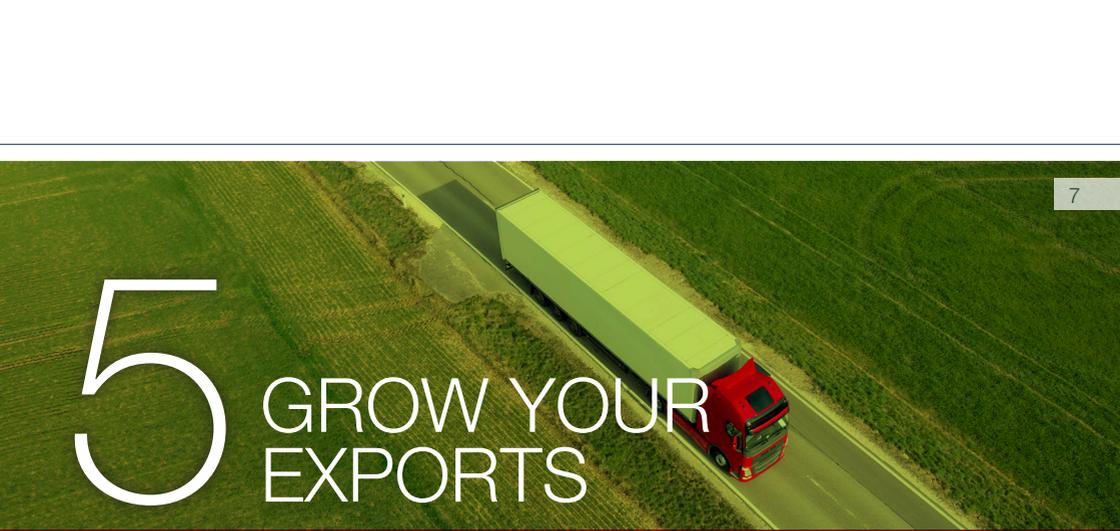
- Consider what **incoterms** you should use as this will determine your product journey and steps needed. Incoterms are rules which set out the delivery terms for goods, allowing buyer and seller to agree details on the terms of sale to prevent future misunderstandings.
- Establish what **documentation** you need early on and how long it takes to obtain these. This affects your delivery time and may incur costs. Exporters to the EU will face new requirements when the transition period ends. The Government's export **tool** will tell you what exporting documents you need.
- Check customer requirements before quoting a **price**. Always provide quotes in writing, detailing incoterms and what is and what is not covered in terms of labelling and packaging.
- Decide whether you will use a **customs agent**, broker or freight forwarder to make declarations for you. This can make exporting simpler and faster. Otherwise you will need to make declarations on approved software.
- Check your **commodity codes** are correct. Using the wrong codes risks paying the wrong tariff, costly delays at the border or goods being blocked entry and potentially destroyed. HMRC has a free [service](#) where companies can check their commodity codes and to [apply](#) for a binding tariff decision giving you legal certainty.

5 STEPS TO TAKE:

- Have a **written agreement**. Although not a requirement, having a written agreement drawn up and approved by a lawyer is recommended.
- Take out **product liability insurance** covering all countries you are selling to. Be prepared to supply **Certificates of Origin (CO)** to certify product origin for certain markets. These can be obtained from your local Chamber of Commerce. AHDB and trade associations can also advise on obtaining these documents.
- **Invest in software**. This might be something you consider for your export documentation. [British Chambers of Commerce](#) can advise on this.
- Know what **certificates** your products need. Export Health Certificates (EHCs) verify products of animal origin are fit for human consumption and phytosanitary certificates may be needed for exports of plant-based products. Defra, the Animal and Plant Health Agency (APHA), or your local Environmental Health Officer can provide [advice](#). AHDB can also provide guidance.
- Contact specialist food and drink **translation companies**. Avoid confusion by sourcing experts to help with translating websites and packaging.

KEY OUTCOME:

Understand what extra costs you may face, and your responsibilities in terms of transportation. Confirm important details upfront and in writing to avoid disputes.



5 GROW YOUR EXPORTS

Think about strategies for growing exports to embrace change

5 THINGS TO CONSIDER:

- Adapt what you have **learnt** and utilise your experiences, feedback and skills to start exporting to new markets.
- Agree a **market development plan** with an importer/distributor. Put in place a jointly agreed plan with targets to drive up sales and maintain an ongoing relationship.
- Identify other **potential customers** and regularly review the supply chain to ensure you are working with the best partners. If your products are not being exported exclusively to one buyer, make contact with other potential customers to grow your sales. AHDB, FDEA and your local government export support bodies including trade officers at British Embassies may be able to assist.
- Keep up-to-date with the latest **export support** available from Government. A 'Bounce back' plan of trade [measures](#) for agriculture, food and drink industry was launched in June and includes advice and support available virtually during COVID-19. DIT holds regular export events which can be found [here](#).
- Keep up-to-date with the latest developments on **EU Exit negotiations** and new trade deals which will impact trading conditions. FDF members receive regular updates on trade negotiations and policy developments. Subscribe to FDF's weekly [podcast](#) featuring CEO Ian Wright CBE and its policy experts.

5 STEPS TO TAKE:

- **Communicate** regularly with your customers and include them in your company newsletters. FDEA can provide advice on export account management.
- Post-COVID-19 make **regular visits** to your chosen export destination, review the progress made and ask for feedback. In the meantime, engage regularly with customers via video conference or email.
- Provide excellent **customer service**. Make sure goods are delivered on time as set out in each order confirmation. Identify good logistics partners and act quickly to prevent delays and address unforeseen problems.
- Plan and maintain **promotional activity** with local partners both in store and online and ensure a strong social media presence.
- Keep up-to-date with the **latest market trends** and developments in consumer tastes in your target market. AHDB produces specific [market guides](#) highlighting popular meat and dairy products. FDF produces regular export [snapshots](#) of top markets and products. Additional market guides from DIT can be found [here](#).

KEY OUTCOME:

Keep your customers happy, build your reputation and grow your export outreach to achieve profitable and sustainable growth.

COVID-19 AND EU EXIT EXPORT SUPPORT

SUPPORT

Industry bodies such as AHDB, FDEA and FDF can support you with your exporting journey:

- **FDEA** offers a wide range of services including our Buyers' Guide and Directory of Members, Network Forums, Meet the Buyer Events and Export Skills Workshops. We also provide an export helpdesk for members and links to a wide range of Export Service providers who can help you with topics like international market compliance/labelling, logistics, finance and insurance and legal agreements.
- **FDF** is the voice of the food and drink industry, communicating the sector's values and concerns with Government, regulators, consumers and the media. We offer expert technical and regulatory advice, early insights into issues impacting our industry, networking opportunities to develop business and export market insights. Our wide range of Professional Affiliate members can provide additional support for exporters on a range of topics. Our regular reports and industry research can help businesses identify export growth opportunities.
- **AHDB** equips the industry with easy-to-use, practical advice. Our Market Intelligence team identifies emerging and priority markets, and focuses on gaining access to these through close Government partnership.

GOVERNMENT SUPPORT

COVID-19

In June 2020, the Government launched an agri-food [bounce back plan](#) of trade measures to offer immediate support to help businesses grow their trade activity overseas, including:

- A bespoke programme of **webinars** as part of a GREAT DIT Food & Drink [Exporting Masterclass](#)
- A programme of **physical and virtual initiatives**, including [The Great British Food Programme](#), which allows businesses to

connect directly with overseas buyers and facilitates the delivery of product samples to prospective buyers;

- The introduction of Defra's first Agri-food Counsellor serving the Gulf, who will support UK businesses already exporting, or planning to export to the region.

EU EXIT

Government has a number of guidance documents and tools to support businesses as we leave the EU, including information on:

- [Transition](#)
- [UK trade agreements](#)
- Commodity [codes](#) for imports or exports
- Business [tax](#)
- Trade Show Access Programme (TAP) - Eligible SMEs can claim [grants](#) to attend selected overseas trade shows.



EXPORTS SUCCESS STORIES

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Delamere Dairy sees exports as a key contributor to overall business growth selling to various markets such as America, the Caribbean, the UAE, Singapore and Australia. With an established network of over 25 trusted producers and packers in the UK and Europe, they have the capability to bring new products to market relatively quickly. Working with specialists in each field allows them to take advantage of new processing technology, resulting in a range of top quality products.

Delamere Dairy

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Winner of the FDF Exporter of the Year Award 2019, Millennium Group is a family run export-wholesale business, regularly placing in the Sunday Times International Fast Track 100 and has achieved enviable export growth in the past five years. Key to growth has been the ability to leverage the support available from DIT, CBBC and Santander through trade missions, key trade shows and meet the buyer events.

Millennium Group

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Nairn's are the largest producer of oatcakes in the UK and their range is exported to over 35 markets. Their focus is to develop new markets, as well as grow sales in their current markets. They are investing to expand distribution and develop consumer awareness for the brand. Their largest international markets are Éire, USA, Canada, Netherlands, China, New Zealand, UAE, South Africa and Cyprus.

Nairn's

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Taylor's of Harrogate has been a member of the FDEA for many years, they provide invaluable networking opportunities whether it be at major trade exhibitions or through organised meetings. The team is very knowledgeable and can always point us in the right direction to answer the many export issues we come across when opening up the 18 new markets we have entered in the last 3 years.

Taylor's of Harrogate

KEY CONTACTS

Animal and Plant Health Agency

Work to safeguard animal and plant health and provide guidance specifically covering the import and export of live animals or animal products.

Brexit Food Hub

Provides information and links to a range of Government advice, as well as the expertise of UK agri-food partner organisations on borders/tariffs, imports/exports, transport, labelling issues and other areas impacted by EU Exit.

British Chambers of Commerce

Works with all businesses and sectors to ensure the smooth passage of UK goods to help international trade flourish. They provide certification guidance including information on Export Health Certification (EHC).

British International Freight Association

BIFA provides industry training on customs procedures, dangerous goods, security, import/export and international trade procedures.

Department for Environment, Food and Rural Affairs

Defra is responsible for safeguarding the environment, supporting our world-leading food and farming industry, and sustaining a thriving rural economy. They publish detail on how to get an export health certificate to export animals and animal products, or a phytosanitary certificate to export fruit, vegetables, grain and other plants for use as food.

DIT Local Trade Teams

Provides businesses with free tailored export guidance and support on export

strategy and planning, identifying new market opportunities, introductions to new supply chains and sales and marketing. You may also be able to speak to an International Trade Adviser (ITA), depending.

DIT EU Exit Transition Period Enquiries Service

If you have any questions about preparing for the end of the transition period and you can't find answers, please visit the following [website](#), fill out the enquiry form and one of our experts will point you in the right direction.

eCert

An online UK service which simplifies the process of applying for certified documents, enables users to access training material, and facilitates interaction with other users to share best practice and obtain support and advice. The service is provided by Chambers of Commerce.

Exporting is GREAT

A Government database of export opportunities identified by DIT and UK Government posts overseas. It is searchable by business sector and market. Food and drink is a priority sector.

Food Standards Agency

Provides guidance on rules and regulations for commercially exporting food and feed outside the UK.

HMRC Binding Tariff Service

When you have confirmed your commodity codes, you can apply for a binding tariff decision from HMRC, which can give you legal certainty. A Binding Tariff Information (BTI) decision is a written tariff classification of your goods.

HMRC Commodity Code Advice

A service which can help you correctly use commodity codes to classify your goods, and the information you need to determine this.

Institute of Export & International Trade

Represents and supports the interests of exporters. They offer a complete range of international trade qualifications for those with all experience levels.

Intellectual Property Office

Can help with your intellectual property (IP) rights including patents, designs, trademarks and copyright.

Open to Export

A free online information service dedicated to helping small UK businesses get ready to export. They provide information on export opportunities, key contacts, events and webinars, as well as a platform for questions to a community of experts.

UK Duties & Customs Checker

This tool can be used to check rules and restrictions, tax and duty rates and what documents you need when exporting goods.

UK Export Finance

UKEF supports UK businesses that export with a tried and tested product range that includes export insurance, buyer finance and working capital guarantees.



KEY CONTACTS

In Scotland, Wales and Northern Ireland support is available to companies through the following organisations and schemes:

Scotland

Scottish Enterprise

If you are new to exporting, they can help you find the right markets to get started. If you already trade internationally, they can help you expand your international sales and discover new opportunities.

Scottish Development International

Their website contains useful information and services to help Scottish businesses export.

Food Standards Scotland

They can advise on food safety and standards as well as diet and nutrition.

Scotland Food and Drink

They can offer insights about opportunities abroad and how to target them, new connections and contacts, export development programmes to help with strategy and logistics and support with accreditation.

Wales

Food & Drink Industry Board

They exist to champion food and drink producers in Wales and report their challenges and opportunities to Welsh ministers. The Board works closely with ministers and officials to support the growth and development of the sector including in international markets.

Food and Drink Wales

The Welsh Government under the Food and Drink Wales banner provides a number of programmes and support schemes for Welsh food and drink businesses looking to export.

Northern Ireland

Invest Northern Ireland

Invest Northern Ireland has a dedicated Food Division which delivers practical support for businesses. They can signpost companies to comprehensive information to ensure you understand what's involved in the export journey.

ABOUT US

FOOD AND DRINK FEDERATION (FDF)

The Food and Drink Federation is the UK's leading trade body for food and drink manufacturers. We are an incredibly diverse sector, speaking on behalf of global brands and thriving small businesses. We work with Government and industry to ensure that members continue to be part of the UK's manufacturing success story during and beyond the COVID-19 recovery and EU Exit.

We help our members maximise their competitiveness, communicating the industry's values and concerns with Government, regulators, consumers and the media. We also work in partnership with key players in the food chain to ensure our food is safe and that consumers can have trust in it.

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fdf food & drink
federation
passionate about food & drink

FOOD & DRINK EXPORTERS ASSOCIATION (FDEA)

The Food & Drink Exporters Association membership is a valuable resource to exporters and presents a strong voice for the UK food and drink exporting sector.

The FDEA member community works together to share knowledge, contacts and advice including market entry requirements, logistics advice, distributor agreements and more. FDEA's networking events, member meet ups, webinars and workshops build your knowledge and contacts. FDEA organises the UK pavilions at international trade shows.

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FDEA
Food & Drink
Exporters Association

AGRICULTURE & HORTICULTURE DEVELOPMENT BOARD (AHDB)

The Agriculture and Horticulture Development Board is a statutory levy board, funded by farmers and processors in the supply chain. The AHDB inspires British farmers, growers and wider industry to succeed in a rapidly changing world to be more competitive and resilient. A key role includes supporting the industry to understand and deliver what consumers will trust and buy on global markets. The AHDB also plays an active role on behalf the British industry in global market development work and marketing activity to inspire and inform consumers.

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AHDB