



18th March 2020

Over the past 48 hours, Food and Drink North East (FaDNE) has consulted its network of 500 food and drink businesses on likely resilience in the face of the Covid-19 crisis. So far, 150 businesses have provided powerful evidence of their trading confidence, as well as details of the support they need in order to sustain their businesses now, and into the future. We are sharing these headline findings with you, as representatives of the people and businesses of our region, and calling upon you to work with us to help the tens of thousands of people whose livelihoods are currently hanging in the balance.

The food and drink sector accounts for 800,000 jobs in the NE and is worth 2% to the local economy. The pandemic is set to demonstrate the fragility of our food systems, both global and local, and the lack of infrastructure to cope in times of emergency. We urge the government at a national, regional, and local level to take heed of the data emerging from our consultation and to act now to implement better short- and longer-term measures.

- Of the 148 companies surveyed, 51% currently turn over less than £100k per year and 89% employ fewer than 20 people each. Many of these businesses are family-run or owned and represent the artisan, beating heart of many of our region's highest quality producers.
- The average expected loss was £204,000, totalling a loss of £30m from just 148 small food and drink businesses. Most businesses (76%) expected the pandemic to put up to 5 jobs at risk.
- In terms of trading projections, if forced to shut down, 74% of businesses said they would not survive for longer than three months; only 8% said they could survive more than six months.

The measures announced yesterday by the government to support small businesses go some way to alleviating the financial burden, but it does not go far enough.

FaDNE is now calling for a 'Regional Resilience Fund' to help ease the burden on those businesses most at risk in the sector and requesting urgent dialogue with you, our political representatives, to get this fund launched. FaDNE will also be leading a host of emergency initiatives that look to maintain trading opportunities for small businesses and ensure that the most vulnerable have access to quality, local food and drink.

At such a critical juncture, we must remind ourselves of the permanence of the sector and our obligation to nurture our producers, protect their interests and grow the regional economy. We ask that you do all in your power to assist us in this urgent call and ensure that the voices of our proud food and drink sector are clearly heard.

**Ian Pilkington** - Chairman, Food and Drink North East

**Chris Jewitt** - Founder and CEO, Food and Drink North East



Notes:

Food and Drink North East is a community interest company (CIC). We aim to build a vibrant and engaged community that champions positive trade, promotes a sustainable circular economy and acts as a collective and inclusive voice for the region's food and drink sector. Focussed on four strategic areas; community, sustainability, trade and advocacy our objective is to grow the sector's contribution to the regional economy to 10% gross added value (GVA) by 2025.

On the 6th February 2020, Food and Drink North East launched as a new trade organisation determined to design and deliver a robust strategy that would facilitate the sustainable growth of the regional sector.

Joined by Henry Dimbleby, Defra lead on the National Food Strategy review, we explored the critical issues found across the spectrum of the food and drink industry from public health, social inclusion, food poverty to trade resilience and business growth.