

Exporting

A How-To Guide for SMEs



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Introduction

What we eat and drink, and how and where it is made, is part of our nation's story. Our food and drink is recognised across the world for its quality, tradition, and innovation. This growing reputation for high-quality food and drink produced to high standards of food safety, animal welfare and sustainability is driving increasing consumer demand both at home and abroad. It provides a real opportunity for growth across all regions of the UK. We want to support food and drink businesses across England to tap into that growing demand and ensure that they can access the support, training and information they need to grow their business.

This guide aims to highlight the opportunities for small and medium-sized enterprises (SMEs) from exporting, offer guidance for those about to start, and signpost to further support and advice.



Why think about exporting?

Exporting offers opportunities for business growth, by taking advantage of emerging markets and capitalising on the growing consumer demand for the quality food and drink produced in the UK. The UK has a strong reputation for the high standards of its food, including its quality, food safety, animal welfare, sustainability and traceability. This is a strong base on which to grow our exports and we want to build upon this.

However, currently, just one in five food and drink companies are exporters and many have not yet taken that step. To maximise the potential of the UK food and drink sector, we want to see more companies exporting, and those that are exporting doing so even more successfully.

We expect the EU to remain a very important export market for UK food and drink. However, the UK is also looking to forge stronger trading relationships with countries outside of the EU. As populations in major developing economies become increasingly affluent, the consumption of meat, dairy, processed Western-style grocery products and alcohol is growing.

Many countries are seeking to build a global food supply chain and the areas in demand match areas of UK strength. UK food and drink is exported around the world and enjoyed in over 200 countries and territories. In 2021, exports were worth over £20.24bn.



What is the opportunity?

Top 10 by value markets for UK FFD exports H1 2021

Product	Value 2021 (£m)	% of Total UK Food, Feed and Drink Exports in 2021	Export value growth between 2020 and 2021	Export volume growth between 2020 and 2021
Whisky	4,637	22.9%	18.0%	11.7%
Miscellaneous food ingredients	1,486	7.3%	-12.7%	-0.4%
Chocolate	742	3.7%	-4.3%	-9.7%
Salmon (inc. smoked)	729	3.6%	20.1%	20.1%
Cereal, rolled or flaked	654	3.2%	-4.3%	-5.2%
Cheese	565	2.8%	-14.1%	-20.4%
Gin and Geneva	542	2.7%	-6.0%	3.5%
Mineral water	534	2.6%	0.7%	1.3%
Bread, crispbreads, savoury biscuits	514	2.5%	-1.2%	-3.8%







Top 10 by value markets for UK FFD exports H1 2021

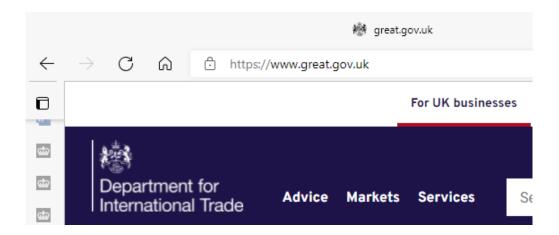
Country	Value H1 2021 (£m)	% of Total UK Food, Feed and Drink Exports in H1 2021	Export value growth between H1 2020 and H1 2021	Export volume growth between H1 2020 and H1 2021
Irish Republic	1,403	15.3%	-24.9%	-16.9%
France	976	10.6%	10.8%	-19.2%
U.S.A.	894	9.7%	-0.3%	-1.8%
Netherlands	701	7.6%	-8.6%	-20.0%
China	436	4.8%	25.2%	16.6%
Germany	361	3.9%	-44.2%	-65.1%
Belgium	285	3.1%	-5.8%	-15.6%
Spain	199	2.2%	-39.1%	-67.9%
Australia	192	2.1%	4.5%	-8.9%
Singapore	183	2.0%	12.2%	21.5%

Supporting companies to export

Exporting can offer significant benefits and the evidence shows that companies that export are on average more productive and more competitive. However, there is no doubt that exporting can be daunting. It is therefore essential that the processes around exporting are well understood. There is a range of government support available to businesses to help them take their first step to selling overseas, or to grow their exports in new and existing markets. We want to help companies succeed, providing support and advice to help build their export capability.

The section below sets out some of the government support available to help you on your export journey and case studies from SMEs who have successfully exported.

The Department for International Trade provides a range of export support. Whether you're interested in exporting for the first time, or an experienced exporter, support from the UK Government's Department for International Trade (DIT) can help your business to grow in new markets.



As a starting point, you can visit **great.gov.uk** to:

- Create your own export plan online
- Identify high potential markets for your products
- Access free online lessons to build your knowledge on selling internationally
- Search and apply for live export opportunities
- Explore e-commerce options and support to sell online internationally
- Explore finance and insurance options from UK Export Finance (UKEF)

Export Support Service

DIT's Export Support Service (ESS) can help your businesses get answers to practical questions about exporting to Europe and give you access to cross government information and support.

You can ask any question for your business, including on:

- exporting to new markets
- paperwork you need to sell your goods abroad
- rules for a specific country where you want to sell services

Contact the UK government export support team through their <u>enquiry hub</u> or call 0300 303 8955.

Export Academy

The <u>UK Export Academy</u> gives businesses the know how to sell to customers around the world by learning from experts in international trade.

You can access:

- the foundation course to build your knowledge and confidence if you're relatively new to selling internationally or interested in learning about how to start.
- Sector specific webinars, masterclasses and virtual missions for more experienced exporters.
- Market access events to learn about the benefits of new market opportunities.



UK Tradeshow Programme

The <u>UK Tradeshow Programme</u> offers government support to help UK businesses attend or exhibit at overseas trade shows effectively.

UK businesses that are currently exporting can apply for support to:

- exhibit at or attend approved overseas trade shows and conferences
- potentially receive grants to cover some costs

UK businesses can also apply for support if they're thinking about exporting but are not currently doing so.

Attending or exhibiting at overseas trade shows can help you gain essential market knowledge and increase your:

- company's brand awareness amongst overseas buyers
- business sales by securing new customers

Local Trade Offices

DIT's local trade offices may be able to offer one-to-one, bespoke, and impartial advice, including support on:

- Your export strategy and planning Sales and marketing, including market knowledge and identifying possible business partners
- Attending trade missions and overseas tradeshows
- Language and culture
- Product and service development, including innovation, IP and standards operations, including legal and regulatory issues, export controls, documentation, logistics and distribution
- Signposting to relevant private sector products
- Connecting to relevant contacts in international markets
- Help with growing your business internationally through e-commerce

You may also be able to speak to an International Trade Adviser (ITA), depending on your situation and the support you require.

International Trade Advisers support British businesses in forming and progressing their export strategy globally through 1-2-1 business support, access to education and funding opportunities and direct introductions to external partners who can assist with all aspect of growing their business overseas.

Find out if your business is eligible for support by contacting your local trade office.

DIT's Internationalisation Fund

DIT's Internationalisation Fund* can be used to support areas including:

- Market research
- IP (intellectual property) advice
- Translation services
- International social media/Search Engine Optimisation
- Trade fairs
- Independent market visits
- Consultancy and other international commercial services



*Available in England only

Match-funded grants of between £1,000 and £9,000 will be available for future activity (subject to eligibility and availability).

UK Export Finance

When it comes to exporting, having a great product or service is only half the story. Putting the right finance and insurance in place can make the difference, helping you to win contracts, fulfil orders and get paid.

<u>UK Export Finance (UKEF)</u> is the UK's export credit agency and you may be eligible to receive finance and insurance from the UK government.

The Department for Environment, Food and Rural Affairs (Defra) is working closely with DIT to put new attachés in key overseas markets to unlock market access and build new export opportunities. The new attaché network will broaden export opportunities, break down technical barriers and support UK companies to capitalise on growing demand in global markets and deliver on the opportunities created by new trade agreements.

Defra and DIT in partnership with industry and the Devolved Administrations are setting up an Export Council that will identify new export opportunities. The council will support exports from businesses across the whole of the UK. It will also identify and promote the benefits of new trade agreements to industry.

Defra's **Animal and Plant Health Agency** provide guidance specifically covering the import and export of live animals or animal products.

SME case studies

Truede Ltd & <u>www.employin5.com</u> (from DIT's Midlands Export Champions)

Businesswoman Zeynep Turudi is enjoying the sweet taste of success exporting her high-quality Turkish Delight and Roasted Chickpeas snacks all around the world. Zeynep Turudi – a DIT Export Champion – founded her company Truede in her house garage in Coventry in 2003 and has seen the business grow over the last 18 years, 5,000 retail spots in the UK alone and exports to 25 countries.

Truede's products are made from natural ingredients and authentic recipes, with some of the traditional recipes dating back over 500 years. It also boasts a range of luxury confectionery products, from handmade Turkish delight and roasted chickpeas snacks - sweet & savoury.

Export has been a part of the company's DNA since it was set up, but Zeynep says the help of DIT has been instrumental in it expanding rapidly in recent years. Up to 40 per cent of business has been through exports and export sales have increased by 70-80 per cent year on year. The support Zeynep has received from DIT is responsible for 25 per cent of the growth.

Top tip for new exporters – is to market research the country you plan to export to – is there a need for your product in that market, can you adjust your product and packaging for the market's needs and who would you work with, Distributors, Agents or Direct.

Forrest Fresh (provided by UKEF)

Forrest Fresh, a Rochdale based wholesaler, accessed UKEF's General Export Facility (GEF) in July 2021. This helped them increase sales by 70%, overcome Covid supply chain disruption, and continue to sell produce worldwide.

Where to go for further support

Food & Drink Exporting - Five steps to success guide

The Food and Drink Federation (FDF), Food and Drink Exporters Association (FDEA) and the Agriculture and Horticulture Development Board (AHDB) have come together to produce this guide to help businesses successfully navigate the export process and signpost a range of support that can help. Key terms are explained, questions answered and support offered through five simple steps.

five-steps-to-success-guide.pdf (fdf.org.uk)

EU Exit 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

Welcome to the EU Exit Food Hub - EU Exit Food Hub

Open to Export

Open to Export is a free online information service from The Institute of Export & International Trade, dedicated to helping small UK businesses get ready to export and expand internationally.

Helping UK Businesses To Sell Overseas - Open to Export