

# Scottish Government confirm £5m support package for wholesalers

Wholesale food and drink businesses affected by the coronavirus (COVID-19) pandemic are to be supported through a new £5m fund.

The fund will be targeted at food and drink wholesalers who sell to hospitality, on-trade or public sector clients who have seen sales fall by 20% or more since March.

It is intended to cover the shortfall in revenue and fixed operating costs such as business rates, rent, loan repayments, utilities and insurance as well as specific costs such as the loss of stock.

COVID-19 restrictions have had a severe impact on the food and drink wholesale sector, particularly for businesses that sell into hospitality.

Many have seen a significant proportion of their business disappear and are operating at a fraction of pre-pandemic levels as a result of venues being forced to close or limit trading.

Rural Economy Secretary Fergus Ewing said: “2020 has been an extremely difficult year across the entirety of the tourism and hospitality sector. But it’s not just businesses who have been forced to close that are suffering, there is often a complicated supply chain that suffers too.

“We recognise that many food and drink wholesalers have lost huge amounts of business almost overnight, in addition to suffering stock loss and other costs as a result of their customers closing. This is affecting the long term viability

of these previously profitable businesses, so we've worked closely with the Scottish Wholesale Association to target this funding specifically at those that need it most and help them get through a tough winter.

"Many of the wholesalers serving the hospitality sector that have been particularly badly hit, are the same wholesalers we rely on getting food to rural and remote areas as well as ensuring continuity of public sector food provision. It is paramount these businesses are able to continue operating and ready to support the hospitality sector as it recovers."

Scottish Wholesale Association chief executive Colin Smith said: "The Scottish Wholesale Association is delighted that food and drink wholesalers, who are the 'wheels to Scotland's food and drink industry', have been given this vital lifeline. This support package will help secure many family businesses and SMEs across the length and breadth of the country – some having lost up to 95% of their income.

"While the sector still faces significant challenges, as many of our hospitality and tourism customers remain closed or restricted, this funding will make a huge difference to the survival of many SWA members, protecting food supplies into our 5,000 local convenience stores but especially into our hospitals, care homes, prisons and schools."