

## Summary of meeting, Wednesday 1 May 2019

### **Attendees:**

#### **Food and Drink Sector Council Members:**

Judith Batchelar	Sainsbury's
Minette Batters	National Farmers' Union
Gavin Darby	
Leendert den Hollander	Coca-Cola European Partners
Iain Ferguson (Co-Chair)	Stobart Group Ltd.
The Rt Hon. John Gummer, Lord Deben	Sancroft
Graham Hutcheon	Edrington
Sir Peter Kendall	AHDB
Dame Fiona Kendrick	
Andy Richardson	Volac
Cassandra Stavrou	Propercorn
Nick Whelan	Dale Farm
Ian Wright	Food and Drink Federation

### **Apologies:**

Ursula Lidbetter (Greater Lincolnshire LEP), Nick Varney (Merlin Entertainments), George Weston (AB Foods), Jo Whitfield (Co-op Food).

#### **Food and Drink Sector Council substitute attendees:**

Kate Nicholls	UKHospitality (for Nick Varney)
Liz Quigley	AB Foods (for George Weston)

### **Industry Secretariat:**

Ian Rayson	Nestlé
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Caroline Keohane

Food and Drink Federation

## **Government:**

David Rutley MP	Parliamentary Under Secretary of State for Food and Animal Welfare (attended part of the meeting)
Henry Dimbleby	Lead Non-Executive Director, Defra
David Kennedy (Co-Chair)	Director-General for Food, Farming and Biosecurity, Defra
Sally Warren	Director for EU Exit Preparedness and Response, Defra
Alison Ismail	Acting Director for Agri-Food Chain Directorate, Defra
Deb Hankins Defra	Deputy Director for EU Exit Preparedness and Response, Defra
Ananda Guha	Deputy Director for Exports and EU Exit, Defra
Bal Dhoot	National Food Strategy, Defra
Jonathan Back	Agri-Food Chain Industrial Strategy, Defra
Clare Whittaker	Agri-Food Chain Industrial Strategy, Defra
Jamie Parker	Agri-Food Chain Industrial Strategy, Defra
Rory Wallace	Deputy Director for Agritech Policy, BEIS
Sue Bishop	Head, Creative, Lifestyle and Learning, DIT

## **Introduction**

The Chairs opened the meeting, and members were invited to review the Sector Council's role and objectives. These were agreed as:

- provide a collaborative cross-industry and cross-government forum
- provide a unified voice on behalf of the industry with government
- identify the challenges and opportunities facing the industry
- agree shared priorities with government
- contribute to the government's food strategy and policies
- develop and deliver proposals and initiatives to increase the industry's productivity and sustainability

- advise government on the effectiveness of its policies, organisational structures and investments, and recommend opportunities for improvement
- share industry research and insight, best practices and innovative solutions from the UK and overseas that can inform industry-government collaboration and policy

## **Sector Council role in contributing to the National Food Strategy**

Henry Dimbleby, Lead Non-Executive Director at Defra, updated the Council on plans for the National Food Strategy.

The government is committed to publishing a National Food Strategy once we leave the EU. The Strategy will build on the work already underway on the Agriculture Bill, the Environment Bill, the Fisheries Bill, and the Childhood Obesity plan. This will help ensure a food system that delivers healthy and affordable food for all people, and is built upon a resilient and sustainable agriculture sector.

Debate and challenge was invited from the Council, with the ultimate aim being that Council members support the Food Strategy as Ambassadors. Council members offered their support to the Strategy, and agreed to work toward the building of consensus on policy solutions.

## **SME disruptor workshop**

Cassandra Stavrou, founder of Propercorn, gave an overview of plans for a food and drink SME disruptor workshop. This will explore public policy's support for new, innovative food and drink businesses, and the potential opportunities for innovative new entrants to the market in the post-EU Exit environment. The workshop will investigate the relationships between these disruptive businesses, often described as 'disruptors', as well as with larger businesses such as retailers and data service providers.

The workshop will aim to build a hypothesis with recommendations for how industry and government can support innovators as well as how those businesses can reciprocally support the wider industry and government achieve desired goals. The date for the workshop will be publicised in due course.

Parliamentary Under Secretary of State David Rutley confirmed Defra's support for these aims.

## **EU Exit**

Sally Warren, Defra Director for EU Exit Preparedness and Response, provided an update on EU Exit. While a no deal remains possible, the UK can leave the EU at any stage before the 31 October if a deal is ratified. The current implementation period then runs to

December 2020, with a single opportunity to extend that deadline. Defra is re-planning its approach to EU Exit taking this new timeline into account. Ministerial decisions on prioritising preparations for a no deal EU Exit are expected in the coming weeks.

Council members noted that a no deal EU Exit on 31<sup>st</sup> October will have a greater impact than 31<sup>st</sup> March, as production and exports/imports will increase in the run up to Christmas. It was agreed that it is important to build on the lessons learnt from March preparations in the event of any future no deal planning. The need to address desensitisation of the no deal message, i.e. any perception that the UK agri-food chain is now well prepared and it will have minimal impact, was highlighted.

On exports, business readiness remains an issue. Clarity of requirements on both sides of the Channel are needed. Defra had already prepared a concise three-page summary for the March deadline. Council members offered to help review the document's reach and impact to ensure businesses are better prepared for October.

Parliamentary Under Secretary of State David Rutley confirmed the government's aspiration is to leave the EU with a deal successfully navigated through Parliament.

## **Food and drink sector deal**

Ian Wright, CEO of the Food and Drink Federation, updated the Council on Sector Deal progress.

The formal negotiations were paused to allow for EU Exit preparations, and a decision is soon to be taken on how to progress. Work continues at FDF to ensure the team is ready for both eventualities, with exports and skills work-streams prioritised. It was also noted that work is being undertaken to understand the economic circumstances in the near future so the Sector Deal will be fit for purpose in the future UK economy.

## **Working group updates**

### **Agricultural productivity – Sir Peter Kendall:**

A report from the working group is nearing completion, with a more granular sectoral analysis needed to finalise the set of recommendations. The aim is to bring the report to the July meeting of the Sector Council and in advance of this there will be discussions with a wider group of stakeholders. It was noted that whilst the aspiration will be to drive productivity, there will be wider benefits such as the long-term viability of farms.

### **Exports - Graham Hutcheon:**

The group's focus was on protecting the UK's existing export capability and, looking to the future, inspiring businesses to export. The key challenges that were identified revolved around the fragmented nature of the sector, the need to pull insights out of the available

data, and the regionalised nature of activities. There were different strategies and timelines in each of the devolved administrations and it was felt that joined-up approach would prove most effective.

### **Nutrition and innovation – Gavin Darby and Judith Batchelar:**

The two working groups were already working closely together and a degree of overlap had been identified. As such a formal merger was proposed and agreed by the Council. Judith Batchelor will lead the new Nutrition and Innovation working group with Gavin Darby in support. The focus would be on transformation activities, be these big 'moon shots' or small things done by many at pace.

### **Logistics – Iain Ferguson:**

Progress in this work-stream is currently on hold as attention has been focussed on EU Exit. However the work will be relaunched, with the focus on linking productivity to efficiency.

### **Packaging – Leendert den Hollander:**

Although a slow start, activity is picking up with the Resource and Waste Strategy providing a structure for the work. There is benefit in the group acting as a focal point for packaging activity and the importance of adding to work already underway, as opposed to replicating it, was highlighted. Comment was made that a tax on UK packaging, but not on imported packaging, would create a distortion by diverting production away from the UK.

### **Workforce and skills - Dame Fiona Kendrick:**

The group has made good progress and is aiming to report to the Sector Council at the 1 July meeting. The focus has been on obtaining robust evidence and from this looking for some quick wins. This has meant putting work on the sector's image problem on hold and prioritising activity on apprenticeships and the need to create a sustainable supply of skills to the sector from education providers. Leadership and management skills in the sector are also being looked at.

## **Final comments and close**

The next meeting of the Food and Drink Sector Council is to be held on 1 July 2019.