

## Food and Drink Sector Council

# Summary of Meeting, Monday 7<sup>th</sup> December 2020

### **Co-Chairs**

#### **Joint Industry Co-Chairs:**

Ian Wright – Chief Executive, Food and Drink Federation

Terry Jones – Director General, National Farmers' Union

#### **Government Co-Chair**

David Kennedy - Director-General, Food, Farming and Biosecurity, Defra

### **Ministers**

The Rt Hon George Eustice MP, Secretary of State for Environment, Food and Rural Affairs (Agenda Item 1 and 2 – opening remarks)

The Rt Hon Victoria Prentis MP, Parliamentary Under Secretary of State, Minister for Farming, Fisheries and Food (Agenda Item 2 – Remarks; Agenda Item 3 – Covid-19 and End of Transition up-date)

### **Attendees**

Stefano Agostini – CEO, Nestlé UK Ltd

Judith Batchelar – Director of Sainsbury's Brand, Sainsbury's

Minette Batters – President, National Farmers' Union

James Bielby – Chief Executive, Federation of Wholesale Distributors

Andrew Clappen – Morrisons, Group Corporate Services Director

Joe Clarke – UNITE, National Officer

John Farrand – Guild of Fine Foods

Gavin Darby – Former CEO, Premier Foods

Graham Hutcheon – Group Operations Director, The Edrington Group

Andrew Opie – Director of Food and Sustainability, British Retail Council

Nicholas Saphir – Chair, Agriculture and Horticulture Development Board (AHDB)

Andy Richardson – Head of Corporate Affairs, Volac

Nick Whelan – Group Chief Executive, Dale Farm Ltd

## **Secretariat**

Tanya Barringer - Industrial Secretariat Executive, FDSC

Clare Whittaker – Government Secretariat to FDSC, Defra

## **Apologies**

The Rt Hon John Gummer, Lord Deben - Chairman, Sancroft

Kate Nicholls – Chief Executive, UKHospitality

Cassandra Stavrou – Founder, Propercorn

George Weston – Chief Executive, Associated British Foods Plc

Heather Hancock – Chair, Food Standards Agency

## **Government**

Jonathan Back - Food Supply and Resilience, Defra

Jonathan Baker – Head of Future Farming Programme Policy and Strategy, Defra

Charlotte DuBern - BEIS, Deputy Director Sector Deals

Gordon Friend – Deputy Director, Constitution and Borders Directorate, Defra

Ananda Guha - Deputy Director, Food Exports, Promotion and Partnerships, Defra

Deb Hankins – Director, Agri-Food Chain Directorate, Defra

Tim Mordan - Deputy Director, Innovation, Productivity & Science, Defra

## **Devolved Administrations**

David Morris - Welsh Government

Brian Luke - Food Supply Security Lead, Department of Agriculture, Environment & Rural Affairs, Northern Ireland

George Burgess - Scottish Government, Deputy Director Food and Drink

## **Introduction**

Ian Wright and Terry Jones opened the meeting and welcomed attendees.

## **Secretary of State Opening Remarks**

Secretary of State (SOS) explained that negotiations with the EU were ongoing, but at a critical point and thanked business for their patience. With the European Council meeting planned for later in the week and only 3 weeks until the end of the transition period, the following 48hrs would be critical. There were several outstanding issues, namely fishing rights, level playing field and governance. The Government wants a sensible approach, however there are red lines in order to protect UK sovereignty.

SoS stressed that regardless of the outcome of negotiations businesses needed to prepare for changes, such the need for customs declarations, certificates for products of animal origin and catch/export certificates for fish. Anomalies that had come to light with the Northern Ireland protocol were also being worked on.

Council members asked questions about the ability to implement any deal in time for the 1<sup>st</sup> January, including the ability of business to understand the agreement and EU members states to ratify. SoS explained that there would be ways for the deal to be legally implemented in time, that many of the changes would apply regardless and on day 1 changes would largely apply to tariffs.

Council members also asked questions about the likelihood of flexibilities to allow business to adjust and also on the complexities relating to flow of goods with Northern Ireland. SoS explained that where possible the UK Government would take a flexible approach, such as phasing in checks at the border. It was not, however, possible to know the EU's approach. On Northern Ireland, as well as negotiations on a Free Trade Agreement there were also ongoing discussions with the EU on the Joint Committee Process and the UK Internal Markets Bill going through Parliament.

## **Covid-19 and End of Transition up-date**

Government gave an up-date on covid-19. In particular highlighting changes to the rules on managing outbreaks and access to mass testing/lateral flow tests which will mean factories don't have to close in the event of a positive case. Government was also conscious of the need to support industry during the busy Christmas period and is working on Competition Act easements, lifting curfews and discussions were on-going with the Department for Transport on easing drivers' hours.

Looking beyond Christmas, and to the end of the transition period, congestion at the Dover straights was likely, as businesses adjust to providing necessary paperwork. While this settles there may be implications for consumers access to particular products, with a knock-on risk of panic buying. This is in addition to particular sectoral issues on

certification, exports and labelling. There will be a lot to work through in the coming weeks and Government thanked the sector for working together to solve issues.

## **End of Transition Workstream**

Nicholas Saphir, workstream chair, gave an up-date on the End of Transition workstream. In their first meeting the group agreed consideration should not just be given to the medium term impacts of trade with the EU, but also the broader issues linked with the challenges of transition including international and domestic trade, environment and competitiveness. The group would meet again on 16<sup>th</sup> December to discuss priority areas and map existing work with recommendations made in Q2. The group will send a further up-date to Council members after the 16<sup>th</sup> December.

## **The Agricultural Transition Period**

Government gave a presentation on the changes being made to agricultural support in England<sup>1</sup>. This transition will take place over 7 years and will take an agile approach testing and developing policy direct with farmers. Fundamentally there was a commitment in Manifestos to maintain funding over this period, however there will be a shift away from direct payments to environmental, animal welfare and improving farm prosperity outcomes. Funding will be split between different initiatives, to be developed over the coming years working closely with the sector. This will be complemented by changes to make systems simpler and to cross compliance that will improve the relationship between Defra and farmers.

Initiatives being worked on are:

- Providing farmers with the option to take a lump sum payment to allow them to exit farming in a managed way.
- Introduction of the Environmental Land Management Scheme, linking payments to sustainable farming, local nature recovery and landscape recovery. Pilots will start in 2021, with full implementation in 2024.
- Animal health and welfare pathway, that will work to eradicate specific animal diseases and maintain/improve animal welfare.
- Funding to support framing prosperity including:
  - The farming investment fund.
  - Support for innovation and R&D that will link academics with the supply chain to solve practical problems.
  - Investment in slurry management in particular for the dairy industry.

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<sup>1</sup> <https://www.gov.uk/government/publications/future-farming-changes-to-farming-in-england>

- Support for third parties as a trusted source of advice to farmers.
- Support for new entrants.

In response to Council Member's concern that farmers would increase prices Government explained that this had been looked at in the impact assessment<sup>2</sup>, which had shown the new approach would lead to an increase in productivity. This would be supported by the working being done by the AHDB and the FDSC's Agricultural Productivity Task Force on benchmarking and key performance indicators. A copy of the impact assessment would be shared with Council members.

Council members noted that, although it is good to get back to sustainable framing there could be a knock effect on the production of raw materials for the rest of the supply chain. It will be about getting the policy drivers right on that. Government agreed that there needs to be a farm to fork approach and important everyone works together. Council members were encouraged to come to Government if there were further questions.

## **AOB and Close**

The Industry Co-Chairs thanked members for attending and reflected on the need to work together on the near-term challenges and opportunities, as well as the longer-term approach feeding into the National Food Strategy. The date of the next meeting would be confirmed.

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<sup>2</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/740669/a\\_gri-bill-evidence-slide-pack-direct-payments.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740669/a_gri-bill-evidence-slide-pack-direct-payments.pdf)

## **Annex A**

### **Observers**

#### **Observers from Industry:**

Ian Mace	Associated British Food
Angela Christison	Agriculture and Horticulture Development Board
Tim Rycroft	Food and Drink Federation
Caroline Keohane	Food and Drink Federation
Mark Corbett	Food and Drink Federation
Helen Ferrier	National Farmers' Union
Dean Gargano	Nestlé
Sarah Blanford	Sainsburys

#### **Observers from Government (England)**

Jonny Baker	External Comms, Defra
Philip Boyce	Press Office, Defra
Anna Brohan	Agri-Food Chain Stakeholder team, Defra
Kate Whitty-Johnson	External Comms, Defra