

Department for Environment, Food and Rural Affairs

Food and Drink Sector Council

Summary of Meeting, Thursday 11 June 2020

Co-Chairs

Joint Industry Co-Chairs:

Ian Wright – Director General, Food and Drink Federation

Terry Jones – Director General, National Farmers' Union

Government Co-Chair

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

Minsters (for Introductory Remarks)

The Rt Hon George Eustice MP, Secretary of State for Environment, Food and Rural Affairs

The Rt Hon Victoria Prentis MP, Parliamentary Under Secretary of State, Department for Environment, Food and Rural Affairs

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

Gavin Darby – Former CEO, Premier Foods

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

Leendert den Hollander – Vice President & General Manager GB, Cola-Cola EP

Graham Hutcheon – Group Operations Director, The Edrington Group

Nicholas Saphir – Chair, Agriculture and Horticulture Development Board

Kate Nicholls – Chief Executive, UKHospitality

Andy Richardson – Head of Corporate Affairs, Volac

George Weston – Chief Executive, Associated British Foods Plc

Nick Whelan – Group Chief Executive, Dale Farm Ltd

Apologies

Cassandra Stavrou – Founder, Propercorn

Secretariat

Tanya Barringer - Industrial Secretariat Executive, FDSC

Ian Rayson – Head of Industrial Secretariat, FDSC

Helen Matthews – Government Secretariat to FDSC, Defra

Clare Whittaker – Government Secretariat to FDSC, Defra

Government:

Jonathan Back - Food Supply and Resilience, Defra

Nicholas Blaney – Department for Education (attended part of meeting)

Emma Bourne – Director, Constitution and Borders Directorate, Defra (attended for the discussion on EU Exit end of the Transition Period)

Rupert Daniels – Director, Department for International Trade

Henry Dimpleby - Lead Non-Executive Director, Defra (attended for discussion on the National Food Strategy)

Gordon Friend - Deputy Director, Food Supply and Resilience, Defra

Ananda Guha - Deputy Director, Exports and EU Exit, Defra

Heather Hancock – Chair, Food Standards Agency

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

Alison Ismail - Director, Agri-Food Chain Directorate, Defra

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

Rory Wallace - Deputy Director, Energy Intensive Industries, Department for Business, Energy and Industrial Strategy

Introduction:

Ian Wright opened the meeting, welcoming attendees and noting the Defra Secretary of State George Eustice and Parliamentary Under Secretary of State Victoria Prentis were attending for the first part of the meeting.

Ian Wright commended the strong relationship forged between the food and drink industry and Defra during the Covid-19 emergency, and Defra's exemplary role in engaging with the industry to address issues. David Kennedy highlighted the value for Government of the strategic perspective of the Food and Drink Sector Council and how this complemented Defra's regular engagement on more immediate issues through other forums.

The Secretary of State congratulated the sector on its phenomenal response to the Covid-19 emergency. He remarked on the way the sector had mobilised, through for example increasing deliveries, while Defra provided the regulatory easements industry needed. He reflected that the crisis had re-emphasised to the nation the importance of food production, domestic food production, and the critical role played by everyone in the food supply chain and they deserve our appreciation. The Secretary of State acknowledged the particular shock faced by some parts of the sector, such as hospitality, and the difficult course to recovery. He welcomed insights from the Council's discussions on recovery scheduled for later in the agenda and on the National Food Strategy.

Members stressed the need to assess lessons learned on Covid-19; reinforced the need for industry and government to work together to support the severely affected hospitality, restaurants and catering sector; and reflected on the need to maintain workforce morale in light of sustained and heavy demands. Members further highlighted that many SMEs and micro businesses – which could be viewed as the lifeblood of the future and a source of innovation – were in hibernation, furloughing staff and taking on debt.

From the Government side the need to consider lessons learned was noted, with reflections that Defra's response to Covid-19 had been supported by learning from previous preparations in case of a no deal EU exit. The importance of opening up the hospitality sector as soon as possible was recognised, as was the tremendous contribution of the food and drink industry workforce, the latter being highlighted in the Secretary of State's letter of March 2020. The distribution of some 4m food parcels, and the 500,000 people prioritised from the shielded list who were now ordering regularly from supermarkets, were just some of great successes that the industry had helped achieve.

The Secretary of State and Parliamentary Under Secretary of State left the meeting.

Covid-19 Recovery

The Council was presented with the recommendations of the Covid-19 Recovery Working Group. Opening remarks reflected on the difficulty of restarting all sectors of the food system, and concern at the impact Test and Trace could still have on the workforce.

Judith Batchelar presented a picture of the impact of Covid-19 on the sector. Members agreed that such data was critical and could inform understanding of how the system is working. It was agreed that this data should continue to be collected and up-dated.

Members explained that 87% of the hospitality industry was furloughed and in existential crisis. The sector needed a date for re-opening, and a reduction on social distances. Many businesses, if not open by September, would remain closed until April, especially conferencing and banqueting. 50% of wholesale distributors believe they are at risk of collapse by end-2020. 50% of those supply the public sector. 80% of revenues from hospitality ceased overnight. The sector would appreciate recognition from government and sector-specific support; and for Wholesale an extension of the business rates holiday as for the retail sector.

Gavin Darby presented the Working Group's recovery plan. The high level aims of the plan were to restart all sectors of the agri-food industry; support businesses across the food chain to recovery, prioritising hospitality; support food and drink export recovery; and protect UK industry standards and competitiveness

Particular points highlighted included:

- Climate crisis and the impacts of Covid-19 on lower emissions, lower food waste and more food redistribution.
- Recognition of the extensive changes planned for the regulatory landscape and demands on industry's bandwidth to respond to these.
- The importance of an orderly end to the transition period.
- Government support for specific sectors or sub-sectors, such as hospitality, and wholesale, through for example removing VAT on out-of-home food; the extension or targeting of industry support schemes; reducing social distancing to 1m if the science allows; and business rate holidays.
- Learnings from Covid-19, in particular where weaknesses in the system were highlighted, and identifying a Council role in that work.
- The need to provide and restore consumer confidence.
- The need to highlight the contribution of food and drink industry and provide positive messages to the workforce.

The Council was presented with the recommendations of the Working Group on Exports by the workstream lead, Graham Hutcheon. These focussed first on short term needs to understand, target and support export opportunities; and to adapt to e-commerce, especially in the current absence of trade shows which link many SMEs to buyers and markets.

From the Government perspective, the work of the Council in providing a strategic and focussed set of recommendations was welcomed. It was also noted that an announcement was forthcoming on a recovery plan to support exports and e-commerce.

Action: Council to bring together existing data and create a dashboard to monitor the sector.

EU Exit End of Transition period:

The Council was provided with an update on the ending of the transition period. Government continues to prepare for the ending of the transition period and new requirements following the Withdrawal Agreement. Government had set out its interpretation of the Northern Ireland Protocol in the Command Paper and was working with Northern Ireland on planning and ensuring traders and businesses were prepared. Government expected to engage on imports and exports shortly and was keen to involve the Council in that. Government was prioritising its legislative agenda according to importance to industry.

National Food Strategy:

The Council was updated on the National Food Strategy. The team had just returned to the Strategy following a pivot to food security during the Covid-19 crisis. A response to Covid-19 would be published at the end of July. An advanced version of that report would be shared with the Council's Working Group along with the National Food Strategy's advisory panel. It will pre-empt a fuller report later in the year. Members welcomed and wanted to support the National Food Strategy.

Any Other Business:

Andy Richardson gave members an up-date on work to look at the funding landscape. This work would be brought back to a future meeting.

It was suggested that the Council should also have a future agenda item on Modern Slavery.

Final Comments and Close

The Co-Chairs thanked everyone for coming and contributing to the meeting. The two Industry Co-Chairs emphasised their wish for the Council to be of value to industry and government, to build momentum and to focus on the right number of carefully chosen strategies. The date of the next meeting of the Council would be confirmed.

Annex A

Observers

Observers from Industry:

Ian Mace	Associated British Food
Angela Christison	Agriculture and Horticulture Development Board
Julian Hunt	Coca-Cola EP
Tim Rycroft	Food and Drink Federation
Dominic Goudie	Food and Drink Federation
Helen Ferrier	National Farmers' Union
Dean Gargano	Nestlé
Sarah Blanford	Sainsburys
Jim Cathcart	UKHospitality

Observers from Government (England)

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

Observers from Devolved Administrations

David Morris	Welsh Government
Colette McMaster	Director, Sustainable Agri-Food Development, Department of Agriculture, Environment & Rural Affairs, Northern Ireland
Brian Luke	Food Supply Security Lead, Department of Agriculture, Environment & Rural Affairs, Northern Ireland
Fraser Dryburgh	Food and Drink Industry Growth, Directorate for International Trade and Investment Scottish Government