

Food and Drink Sector Council

Summary of Meeting, Wednesday 14 October 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 8 – Transition)

The Rt Hon Victoria Prentis MP, Parliamentary Under Secretary of State, Minister for Farming, Fisheries and Food (Agenda Item 2 – Remarks; Agenda Item 3 – Presentation from Trade and Agriculture Commission; Agenda Item 3 – Exports)

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

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

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
Kate Nicholls – Chief Executive, UKHospitality
Andy Richardson – Head of Corporate Affairs, Volac
Cassandra Stavrou – Founder, Propercorn
George Weston – Chief Executive, Associated British Foods Plc
Nick Whelan – Group Chief Executive, Dale Farm Ltd

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

Apologies

Heather Hancock – Chair, Food Standards Agency

Government

Jonathan Back - Food Supply and Resilience, Defra
Emma Bourne – Director, Constitution and Borders Directorate, Defra (Agenda Item 8 - Transition)
Rupert Daniels – Director, Department for International Trade, Trade and Agriculture Commission
Laura Denison – Deputy Director, Food Resilience and Supply Chain
Henry Dimpleby - Lead Non-Executive Director, Defra (Agenda Item 6 – National Food Strategy)
Ananda Guha - Deputy Director, Food Exports, Promotion and Partnerships, Defra

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

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

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

Introduction

Ian Wright and Terry Jones opened the meeting, welcoming attendees and new members, and noting that the Defra Parliamentary Under Secretary of State Victoria Prentis was attending for the first part of the meeting and Secretary of State George Eustice was attending at the end.

Remarks

Parliamentary Under Secretary of State Victoria Prentis acknowledged the resilience of the agri food chain industry in dealing with Covid-19 and preparing for the end of the transition period. She highlighted the Government's legislative programme in Parliament, policy planning for the future after transition and the need to continue to support industry.

Presentation from Trade and Agriculture Commission

The Council was provided with an update on the Trade and Agriculture Commission. The Commission is independent and meets fortnightly, with summaries published on gov.uk. On international trade, it is taking a great interest in the progress of the Free Trade Agreement negotiations and has received updates from the DIT negotiators.

The Commission has three Working Groups - Consumers, Competitiveness and Standards – to conduct detailed discussions and gather evidence. Of particular interest to the Council is the competitiveness working group, which has looked at exports and market access and will consider imports. The standards working group will also consider how the UK can lead on domestic standards.

The Commission has an extensive programme of engagement with stakeholders and experts and it was noted that there is cross over in membership between the Council and the Commission.

Members reflected that the Commission is tackling very broad issues and reiterated concerns about the need to protect UK standards. It was also noted that by opening up the UK to low tariff ingredients our markets would equally be open to low tariff finished products. The Government was aware of the need to protect UK standards. For example the transition of farming away from direct payments to investment in productivity and environmental improvement will have a seven year adjustment period designed to allow industry to ensure it is equipped to compete before new markets are opened.

Exports Update

The Council was provided with an update on the work of the Council's Exports workstream. The workstream's priorities are to protect and increase the value of exports, enhance the UK's global food reputation, develop a more coordinated UK approach, and increase capability to export including by SMEs. As part of this the International Action Plan – produced collaboratively between Government and industry through the workstream – would shortly to be agreed. This would apply to the short term, with the exports workstream developing other longer term proposals, including the need for specialist support, with a view to increasing the value and volume of exports and supporting job creation¹.

Members noted that the industry needed to work with Government to ensure the UK remained a good place for production, irrespective of product provenance. Market access, brand, and navigation of markets provided the elements for an exports strategy and this would need to link to the work of the National Food Strategy and the work of the Trade and Agriculture Commission.

Members noted that as well as focus on driving up export growth consideration should also be given to training and upskilling the workers needed to support it.

Defra Under Parliamentary Secretary of State Victoria Prentis left the meeting.

FEEDUK Update

The Council was updated on the developing proposal for FEEDUK from the Council's Innovation workstream. The concept of FEEDUK is to produce a digital twin of the food system, to support data exchange and transparency and traceability. This will support a more productive and resilient UK food system. Potentially it could also complement net zero, sustainability and the National Food Strategy. A series of workshops had been held to socialise the project and seek feedback, and would continue to dive deeper into the functional elements of the system (e.g. primary production, agriculture, processing and manufacturing, retail, logistics and technology) to ensure the detail proposals fit needs of the system. Support and feedback was asked of Council members as the proposal developed. The next steps would be to test proof of concept with water and dairy and securing funding.

From a Government perspective a digital twin and data analysis would in principle be positive developments. The use of data during Covid-19 on e.g. stock levels, production and absences, and on dairy, had supported understanding of those situations; and a data

¹ Since the meeting, the Exports workstream has agreed that work will continue on the International Action Plan following the end of the Transition Period, so that the new strategy can properly take account of the UK's new trading arrangements with the EU

twin on the farming sector would be forthcoming through the Agricultural Productivity Task Force, another of the Council's workstreams. The FEEDUK proposal had the opportunity to join up with that and wider work to prototype the digital twin.

National Food Strategy

The Council was updated on the National Food Strategy Independent Review. The Part I report was tactical and shorter term to address urgent issues highlighted by Covid-19. This included food poverty recommendations based on a projected 1.5m unemployed. Projections are now 4m so food poverty has become a bigger issue. The Part II report will be more strategic and longer term. It will address how we can create a movement for change that will result in a food system which is good for people and the planet.

The Council was then updated on the Council's National Food Strategy workstream. This workstream had engaged with the Part I report and was working with Henry Dimbleby on Part II. Industry's vision to shape the future included the need for successful businesses, stability and employment. The workstream had held three meetings so far, was developing its priorities and looking to increase engagement with industry. This will be supported by a series of roundtables on the vision for the food system.

The Council was also updated on the deliverables of the workstream. A report making policy recommendations would be produced for Quarter 2 or 3 of 2021 to feed into the National Food Strategy. More widely it would inform other potential future areas of Council work including climate change, diversity and inclusion, obesity, future regulatory framework, and food poverty. The Council can provide an opportunity for the sector to share insights and consider linkages and act as a hub to bring these factors together.

Members noted that there was a need for the National Food Strategy to link into and inform existing strategies and work happening now, such as the Obesity Strategy. There was also a request to consider links to the approaches in the devolved nations.

Members highlighted the important role the food and farming industry has to play on land use, climate change and the need for the sector to collaborate on achieving net zero. This was linked to the approach taken to the new Environmental Land Management Scheme, however it was also noted that this could have knock-on effects if UK farmers have less incentive to produce food that is needed further down the supply chain.

Government welcomed the Council's strategic approach to the food system and engagement on big issues such as these, highlighting the importance of food and farming to sustainability and the need for an end to end approach. It was suggested that the future farming reform package be on the agenda for a future Council meeting.

Agricultural Productivity Workstream Update

The Council was updated on the Agricultural Productivity workstream. The workstream was taking a targeted approach and had secured universal support from the industry on its skills proposals to professionalise the industry and create an institute to oversee professional standards.

End of Transition

The Council agreed a new workstream on approach to end of transition to be chaired by Council member Nicholas Saphir of the Agriculture and Horticulture Development Board. The new workstream would build on the approach taken to Covid-19 recovery, looking beyond the short term to make strategic recommendations to support industry and inform Government focus. A more detailed scope and timeline would be worked up.

The Defra Secretary of State George Eustice joined the meeting. The Secretary of State reinforced to the Council that the Transition Period would not be extended and that businesses needed to plan for processes and capacity for e.g. exports certification and customs procedures.

AOB and Close

The Industry Co-Chairs thanked the Secretary of State and members for attending. The date of the next meeting would be confirmed.

Annex A

Observers

Observers from Industry:

Ian Mace	Associated British Food
Angela Christison	Agriculture and Horticulture Development Board
Tim Rycroft	Food and Drink Federation
Dominic Goudie	Food and Drink Federation
Mark Corbett	Food and Drink Federation
Helen Ferrier	National Farmers' Union
Sarah Blanford	Sainsburys
Jim Cathcart	UKHospitality

Observers from Government (England)

Jonny Baker	External Comms, Defra
Philip Boyce	Press Office, Defra
Anna Brohan	Agri-Food Chain Stakeholder team, Defra
Angela Brown	BEIS, Business Growth
Joe Joseph	Defra, National Food Strategy
Hong Nguyen	BEIS, Industrial Strategy
Neil Semple	Department for International Trade, Trade and Agriculture Commission
Kate Whitty-Johnson	External Comms, Defra