

Food and Drink Sector Council

Summary of Meeting, Wednesday 17th March 2021

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 Eustace MP, Secretary of State for Environment, Food and Rural Affairs (Agenda Item 5 - National Food Strategy; Agenda Item 6 - Transition Group Update)

The Rt Hon Victoria Prentis MP, Parliamentary Under Secretary of State, Minister for Farming, Fisheries and Food (Agenda Item 1 - Welcome and Introduction; Agenda Item 2 - Opening Remarks)

Attendees

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

Lord Deben - Chairman, Sancroft

John Farrand - Guild of Fine Foods

Graham Hutcheon - Group Operations Director, The Edrington Group

Kate Nicholls - Chief Executive, UKHospitality

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

Andy Richardson - Head of Corporate Affairs, Volac

Nicholas Saphir, Chair, AHDB

Nick Whelan - Group Chief Executive, Dale Farm Ltd

Apologies

Stefano Agostini - CEO, Nestlé UK Ltd

Gavin Darby

Cassandra Stavrou - Founder, Propercorn

George Weston- Chief Executive, Associated British Foods Plc

Invited Speakers

Tim Smith – Chair of the Trade and Agriculture Commission

Secretariat

Tanya Barringer - Industry Secretariat Executive

Clare Whittaker - Defra, Agri-Food Chain Industrial Strategy

Helen Matthews - Defra, Agri-Food Chain Industrial Strategy

Alex Howell - Defra, Agri-Food Chain Industrial Strategy

Government

Jonathan Back - Food Supply and Resilience, Defra

Tamsin Cooper – Deputy Director, Food Strategy, Defra

Rupert Daniels - Director, Department for International Trade, Trade and Agriculture Commission Secretariat

Henry Dimbleby - Lead Non-Executive Director, Defra

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

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

Ruth Hussey – Food Standards Agency

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

Ian Lonsdale – Deputy Director, Agri Food Chain Evidence and Analysis, Defra

Mark Nassar – Head of Sector Strategy, Industrial Strategy, department for Business, Energy and Industrial Strategy

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

Danny Roff – Deputy Director, Food Strategy, Defra

Devolved Administrations

Alice Biggins - Scottish - Government, Head of Food and Drink Industry Growth

David Morris – Welsh Government

Welcome and Introduction from Co-Chairs

Ian Wright opened the meeting and welcomed attendees. Ian welcomed Minister Prentis and remarked that the Secretary of State will be joining later in the agenda.

Terry Jones highlighted that the Council was pleased that representatives from the Department for Business, Energy and Industrial Strategy had joined to give an overview of the recently announced Plan for Growth.

David Kennedy remarked that we were in a good place. Cases of Covid-19 are down, the food supply system had proved resilient, and we were making progress on Northern Ireland.

Opening Remarks from Minister Prentis

Minister Prentis thanked the co-chairs and stated that the Food and Drink Sector Council was about showcasing industry and Government working together. It was a good to see the agenda for today's meeting was forward looking as this reflected the feeling of hope that is developing as the nation emerges from Covid-19. Minister Prentice highlighted that both the Budget and the Plan for Growth were a part of this and would help to give stability as we look forward. However, we should not become complacent.

Council members called for Government to think through consequences before making big decisions. There was a concern that with the amount of policies and programmes paused due to Covid-19, there is a risk of overwhelming the sector if these were all to be restarted at once. Members commented that for SMEs, some quick wins were needed this summer, as well as longer term support. Council members recognised that Genetically Engineered food brought opportunities and challenges.

Minister Prentis reflected that the responsibility for food sits across many Government departments, and that Defra can advocate for the industry across Government when required.

Plan for Growth and Industrial Strategy

BEIS set out a broad overview of Build Back better: Our Plan for Growth¹. BEIS outlined the three pillars of the Plan for Growth – infrastructure, skills and innovation. The three priorities underpinning the plan are levelling up, net zero and Global Britain. BEIS highlighted that because the Plan for Growth was owned by HM Treasury and Cabinet Office, it would sit at the heart of Government and facilitate cross government working. Compared to the Industrial Strategy, the Plan for Growth is more directional and higher level. It is meant to provide a framework which invites work to follow with additional supplementary policies over the coming year. One of those policies is sector strategies, which will be considered alongside the Sector Deals programme. BEIS are thinking about this and it is an opportunity for government to begin a dialogue with the sector on what this might look like.

Members felt that skills were a top priority and it would be useful to start at the grassroots to establish a foundation. Members were also concerned about preserving traditional skills. Council members recognised UK retailer's commitment to stocking UK goods, and highlighted that there was a need to grow markets for UK goods both at home and abroad. When considering levelling up, 70% of the UK is rural, and there are challenges associated with this. Members recognised that farms need to be less reliant upon support and that policies were needed to help all the UK get to net zero. Members also highlighted

¹ [Build Back Better: our plan for growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/build-back-better-our-plan-for-growth)

that SMEs will often need support to help understand how they needed to change their operations to address issues like net zero.

BEIS welcomed the comments made and agreed with members that skills are a top priority. Work is happening with Department for Education and the Department for Work and Pensions on this. BEIS invited further input from members on what a vision for the sector looks like, which will be picked up outside of the meeting.

Trade and Agriculture Commission

Tim Smith, chair of the Trade and Agriculture Commission (TAC) gave an overview of its recently published report². Tim thanked the council for the opportunity to speak to them, and thanked members of the Council who had been involved in the Commission.

Tim emphasised that Agri-trade had to fit into national food policy, and that it was important to link into the work being undertaken by Henry Dimbleby in the National Food Strategy Independent Review. Tim outlined that his report had highlighted the importance of maintaining the UKs high food standards, but how this could potentially pose problems when liberalising trade. The recommendations set out in the report are ambitious, but realistic, and have been 'stress tested' with industry. The recommendations need to be acted upon collectively, not piecemeal.

Tim highlighted the most relevant recommendations to the group, including:

- Developing a bold, ambitious agri-food trade strategy, including appointing a minister responsible for agri-food trade
- The UK showing strong international leadership
- UK government continuing to strengthen its approach to the negotiation of Free Trade Agreements (FTAs).
- UK government to put more energy and resource into export promotion, market access and marketing, including supporting and participating in a new Food and Drink Export Council which would bring together industry and government export leads for England, Scotland, Wales and Northern Ireland, with a rotating chair.
- UK government should align its trade, aid and climate change policies relating to agri-food.

Council members asked about future devolved administration involvement in the Statutory Trade and Agriculture Commission (statTAC) and welcomed the Export Council recommendation in the report. Tim said it was important that the devolved administrations were involved in the early stages of FTA scrutiny, including setting mandates and contributing to impact assessments. Sector leadership would be important in maximising collaboration across the 4 UK nations. The virtual roadshows which the Commission had organised for the devolved administrations had shown the level of passion and commitment which existed in the sector which needed to be harnessed in the agri-food chain across the UK.

² [Trade and Agriculture Commission \(TAC\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/trade-and-agriculture-commission-report)

Council members thanked Tim for his update and were very appreciative of the way he had undertaken his role as chair of TAC.

DIT commented that the TAC will now continue in a statutory form, and both a new chair and terms of reference were currently being considered.

National Food Strategy

Henry Dimbleby echoed members sentiments on the TAC report and highlighted the recommendation from the TAC report calling for lower import tariffs for goods meeting UK food standards as being key.

Henry highlighted that all the recommendations from part 1 of the National Food Strategy report are being addressed, with one exception. Part 2 will diagnose the negative feedback loops contained within the food industry and will set out policy recommendations to address them.

Although the last year has been difficult for the food industry, it has set positive new ways of working in collaboration across Government and industry. There are still major issues the food industry needs to face up to. Henry explained that food is currently the biggest contributor to non-contagious ill health among the population and its production causes damage to the environment.

Henry explained that land needs to be used in a different way, with more priority given to nature. There is a balance to be held between the rights of corporations and citizens. We need to be aware that changes to the food system can impact prices, and we need to ensure that food remains affordable. We need to be feeding less crops to livestock to reach net zero and people's diets should contain less, but better-quality meat.

Henry suggested that emerging research from the US indicated that ultra-processed foods are bad for us and, currently, companies are incentivised to make unhealthy foods. This needs to change. Exercise does not work against obesity and our evolution means consumers will also lean towards high fat/sugar foods. We need as a nation to be eating more wholegrains and other healthy foods.

There will be winners and losers from creating a new food system, but by being at the forefront, there is a big opportunity for the UK to be leaders in many new fields. Henry commented that the next steps would be to share recommendations before the publication of the full report.

Members agreed that these issues would present a challenge to the industry, but recognised the system did have to change. It was noted that over the last 30 years a problem has existed but had not been challenged, particularly on the environmental damage caused by the current use of land. Members discussed how they should play a role in informing farmers of the inevitable changes which would need to come. Members considered the need for a pre-competitive space where ideas could be collaborated on safely.

It was highlighted that there was a need for a detailed dialogue on skills, with a focus on the food processing sectors reliance on skilled migrant workers, the population of which is now diminishing. Henry agreed that skills needed to be at the centre of thinking, which aligns with the Prime Minister's priorities on skills and levelling up. Henry called for the creation of a single vision of what the food system should look like, and asked council members to consider how we can change the food culture of the nation.

Government reflected that the Independent Review would inform the Government's Food Strategy White Paper later in the year and highlighted that this group was key in setting the food strategy.

Update from Transition Group

Nicholas Saphir thanked Council members who had contributed to the work. He outlined that the findings of his report would echo much of what has been said during this meeting, with priorities for action being underpinning resilience, growth and sustainability. He set out that the Food and drink industry needs to change its mindset in four key areas:

- Become a serious global competitor in domestic and export markets
- Think whole sector, but also identify specific competitive advantage
- Identify and resource improvements to counter competitive vulnerabilities
- Make reducing environmental impact and increasing sustainability an advantage

Nicolas highlighted that there is a need for the food and drink sector to make better use of evidence, data and analysis. Using data would enable the industry to identify growth export opportunities in existing/new markets and would improve the share of the domestic market. Better use of data would also address vulnerabilities and assessment of collective and individual productivity gains throughout the supply chain. On environmental sustainability, it has been shown that the costs of this are recoverable, and that we need to find ways of incentivising sustainability.

The next step would be a wider consultation with industry, with a detailed report due at the end of March. This will be circulated through the FDSC secretariat, with feedback invited until the end of April. In May, the report containing specific recommendations will be presented to FDSC.

The Secretary of State thanked Nicolas for his work and the important points he raised. He highlighted the shift in mindset needed to consider export opportunities more and pointed out that the UK is the third largest net importer in the world. This provided opportunities to raise ambition for consumption of British-produced food and drink, at home and abroad.

FeedUK Funding

Due to other agenda items overrunning, this agenda item was not discussed. Written comments were invited to be sent to the chair of the innovation workstream, Judith Batchelar.

Close

David Kennedy thanked Council members for the discussion. He reflected that areas had been identified to work on. There is a need to make industry more competitive at home and abroad whilst protecting high standards. He called for the group to work through the questions raised by Henry Dimbleby and emphasised the need for more discussions.

The industry co-chairs reflected on the excellent discussion and would coordinate Council involvement on sector strategies under the Plan for Growth.