

Department for Environment, Food and Rural Affairs

Food and Drink Sector Council

4th meeting, Monday 17 October 2018

**Attendees:**

**Food and Drink Sector Council Members:**

Iain Ferguson	Stobart Group Ltd.
Judith Batchelar	Sainsbury's
Dame Fiona Kendrick	Nestlé UK & I
Sir Peter Kendall	AHDB
Graham Hutcheon	Edrington
Gavin Darby	Premier Foods
The Rt Hon. John Gummer, Lord Deben	Sancroft
Cassandra Stavrou	Propercorn
Andy Richardson	Volac
Ursula Lidbetter	Greater Lincolnshire LEP
Nick Whelan	Dale Farm
Minette Batters	NFU
George Weston	ABF
Ian Rayson	Nestlé (Industry Secretariat)

**Government:**

The Rt Hon. Michael Gove	Secretary of State for Environment, Food and Rural Affairs
Minister David Rutley	Parliamentary Under Secretary of State, Defra
David Kennedy	Director-General Food, Farming and Biosecurity, Defra

Henry Dimbleby	Lead Non-Executive Director, Defra
Sally Warren	Director, EU Exit Preparedness & Response
Sue Bishop	Director Creative, Consumer, Food, Drink and Sports Economy, DIT
Alison Ismail	Director, Agri-food Chain
Deb Hankins	Deputy Director EU Exit Preparedness & Response
Bal Dhoot	Industrial Strategy Team Lead, Defra
Melanie Foster	Waste and Recycling, Defra
Alex Williams	Head of Sector Deals, BEIS

### **Additional:**

Angela Coleshill	Director, FDF
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### **Apologies:**

Nick Varney (Merlin Entertainments), Ian Wright (Food and Drink Federation), Jo Whitfield (Co-op), Leendert den Hollander (Coca-Cola European Partners)

## **Item 1 – Introduction and update from the Sector Council strategic planning workshop**

The Chairs opened the meeting, discussing the outputs of a recent strategic planning workshop. Key points that were noted included:

- Lessons can be taken from other longer-standing Sector Councils on how to best structure and operate the FDSC to better achieve its aims.
- The onus is on the Council to bring forward crunchy proposals through its workstreams, which government can then help support, develop and implement.
- Members are currently reviewing proposed changes that will enable the FDSC to better build its strategic vision and contribute effectively to the government's future food strategy.
- There is common ground on the Council's priorities, with a need identified to focus on the essentials with widened inclusivity across the sector – particularly SMEs.

Industry will continue to develop a strategy and vision for its own future.

## **Item 2 – Sector Deal Update**

The Council was informed that the Sector Deal – which focuses on exports and innovation – had moved to formal negotiations. Although more work will still be needed to secure a deal between industry and Government, this is a positive step. There was agreement that these negotiations should move forwards as quickly as possible, whilst recognising that we needed to get the deal right. The potential to add other layers to the deal once it was in place – for example on nutrition – was also noted.

## **Item 3 – EU Exit: No deal update**

The Council was provided with an update on Defra's no-deal EU exit preparedness.

- Defra was actively supporting the ongoing negotiations with the EU and hopes to agree a deal with the EU.
- However, it is the responsibility of the Government to ensure it is ready for a no deal exit and to support this Defra has increased its work on no-deal planning.
- A Director for EU Exit Business and Customer Readiness has been created in Defra and a Director for EU Exit Preparedness and Response.
- UK food security is highly resilient and supply chains are flexible. Defra has long standing arrangements to work with industry during disruption.

The Council noted that whilst bigger companies will have been planning for the possibility of a no-deal EU exit, smaller businesses have a greater challenge. This is in part due to lower awareness that they could be affected, but also as they have less financial resilience to plan for multiple scenarios while negotiations continue.

The Council agreed its key concerns arising from EU exit, which were:

- The impact of tariffs and checks on exporting businesses,
- Customs requirements on importing businesses,
- Short term financial support for SME businesses,
- Reliance on a European workforce,
- Uncertainty around food certification,
- Cross-channel capacity.

## **Item 4 – EU Exit: Ministerial update**

The Chairs welcomed Defra Secretary of State Michael Gove and Minister of State David Rutley, who listened to the key concerns from Council members.

The Ministers acknowledged the concerns of the Sector Council. The Technical Notices published over the previous 2 months set out information for businesses and the public about what they needed to do to be ready once the UK leaves the EU.

There has already been extensive engagement between Defra and the food and drink sector to develop our plans for exiting the EU. Ministers and the Sector

Council recognised that the pace of this engagement would need to increase over the coming weeks and months so we can collectively identify potential issues and mitigations.

In concluding the EU Exit discussions it was agreed that the Council had an important role to play in alerting government to key issues and helping shape potential solutions.

Secretary of State Michael Gove and Minister David Rutley depart.

## **Item 5 – Government Food Strategy**

The Council was informed that although there had been some early thinking on a food strategy there would be no significant work until after the UK had left the EU. The important role that the Council could play in the development of the strategy was recognised.

## **Item 6 – Agricultural Productivity**

An update on the Agricultural productivity workstream set out how activities – and subsequent recommendations – would be focused around 3 themes. These were data for effective business management; the need to make better use of the knowledge we already have; and agri-innovation. Underpinning the work is a focus on demonstrating the economic benefit of any recommendations and that high productivity and high environmental performance can go hand in hand.

The Council agreed that it would be beneficial to test the emerging thinking with Defra Ministers around the turn of the year, prior to a final report to the FDSC in April/May 2019. It was also noted that any requests for support from government need to clearly articulate the benefits and, where appropriate, be accompanied by accurate costings.

## **Item 7 – Workstream update**

The packaging workstream had brought together the main food and drink manufacturers and engaged key trade bodies. It was noted that Resource and Waste Strategy would soon be published and that the workstream provided a strong foundation for industry input into the strategy.

## **Item 8 – Final comments and close**

The next meeting of the FDSC is on the 28th January 2019.

October 2018