

FDSC

The Food and Drink Sector Council



FDSC: Covid-19 Recovery Plan



The crisis and our response to it as a sector **has shown us just what we are capable of** when we act decisively and collectively

Fundamentally different ways of doing things have enabled us to achieve BIG changes in record time, collaboration, relaxation of competition law when it is in the public interest, data sharing done at pace, and the role of technology in all of this have been game changers

Understanding the combination of the way the nation is feeling and the sectors ability to respond in an agile way to navigate our exit from the EU will be key as we move out of lockdown to recovery and beyond

Those living rurally have the greatest sense of daily normality

- Generally keep larger larders and freezers
- Big supermarkets are a drive away so they have been fairly planned in their shopping
- Likely to use local as they are more likely to know the local

Suburban life feels much more unusual

- Big supermarkets and those seen to be doing more for safety are the go to
- Local shops are life line in early weeks due to lesser queues and hard to get items
- Weekly take away is a serious event

Those living in built up areas feel life turned on it's head

- Small shops fill quickly so queueing is more of an ordeal
- Lack of supermarket choice means this region has the highest reliance on convenience stores
- Saving serious money on going out means more money to treat themselves
- Using a lot more takeaways as variety is greater





FDSC Covid-19 **Recovery Plan**

5th June 2020

The creation of a National Food Strategy, announced last year, recognizes that our food system is highly successful in providing choice, convenience and value for the public; but is increasingly unsustainable from an environmental and health perspective. The industry is committed to playing its part in creating a more sustainable and healthier food system.

In the last three months the Covid-19 crisis has dramatically reinforced both the strength, and the fragility, of our food system.

The first challenge of the crisis was to keep the country fed. And the response from industry and government, working together, has been outstanding. While much of the economy shut down, the majority of the food industry continued to operate and serve the public.

But the economic impact of the Covid crisis across the food chain has varied enormously. In simple terms, retailers, and the farmers, producers and manufacturers that supply them, have seen sales increase. While businesses in hospitality, restaurants and catering (the HORECA sector), and those that supply them, have seen their sales evaporate.

So, the food industry is experiencing fundamental changes that vary to extremes by sector and

by geography. A transformation is under way in consumer and customer behaviour; channels and routes to market; product ranges; costs and margins; export and import profiles; and ways of working. Employment levels in the industry are also in flux, with record levels of recruitment in retail, and mass furloughing in HORECA. As we enter the British season the shortages in seasonal labour remain a serious risk.

The challenge now is to successfully restart all sectors of the industry, protect food industry employees and customers, and support businesses in each sector of the food chain through to recovery. And to do so with an understanding of changing public sentiment and new behaviours and needs.

The opportunity is to build on the lessons of the Covid crisis. We have shown how industry and government can make transformative changes, at speed, when we act decisively and collaboratively. We should maintain this approach through this period of recovery. And build on it further through the National Food Strategy to create a more resilient, cleaner, greener and healthier food system for the future.

Aims

- ✓ Restart all sectors of the agri-food industry
- ✓ Support businesses across the food chain to recovery, prioritising hospitality
- ✓ Support food and drink export recovery
- ✓ Protect UK industry standards and competitiveness

Principles

- ✓ Maintain supply and affordability for UK families and communities, particularly those most vulnerable
- ✓ Maintain and protect the UK's high standards of food safety and animal welfare
- ✓ Support the long-term aims of the National Food Strategy and a green economic recovery
- ✓ Harness the renewed recognition of the importance of the food industry

Covid-19 Recovery Plan – overview

To successfully restart all sectors of the industry, protect employees and customers, and support businesses across the food chain to recovery we recommend:

1
A phased, co-ordinated and flexible restart plan

2
The extension and tapering of industry support schemes

3
A united effort to support the industry's worst-hit sectors

4
Protecting the health of food industry employees and ensuring reliable availability of labour

5
Protecting the UK's supply chain integrity and competitive position

6
Accelerating plans to increase UK exports

7
Building on successful government and food industry collaboration

Key recommendations for a successful recovery for the food and drink supply chain (next 12 months)

A phased, co-ordinated and flexible restart – with adequate planning time for each change

- Focus on critical enablers: schools moving steadily to full reopening; confidence restored in safety of public transport; absolute clarity on operating safely in all food industry sites
- Rephase timing of ongoing ‘business as usual’ consultations and legislation for the remainder of 2020, to maintain the food industry/government bandwidth required for covid recovery
- Secure the ambitious FTA with the EU that government envisages to ensure an orderly end to the transition period of EU Exit avoiding further supply or economic disruption to the food system

The extension and tapering of industry support schemes

- Remain open to new employment and business support measures beyond October (‘CJRS 2.0’). Allowing flexibility will be key.
- Extend debt enforcement moratoria including rent payments
- Ensure that all stakeholders play their part in the food industry’s recovery, including banks, insurers and landlords

A united effort to support the industry’s worst-hit sectors

- Recognise the acute impact on the hospitality sector, and those suppliers throughout the food chain that supply them
- Temporarily remove VAT on food and drink out of home
- Reduce the 2-metre distancing protocol as soon as SAGE supports it

Protecting the health of food industry employees and ensuring reliable availability of labour

- Ensure that the track and trace system expands quickly, gains public confidence, and avoids inadvertent disruption to staffing
- Keep under review the food-industry specific PPE protocols and track continuing availability of supply
- Ensure availability of seasonal labour in agricultural sector through schemes such as Pick for Britain
- Keep Quarantine scheme under review and ensure necessary exemptions to support continued food and drink production
- Access to funding to boost investment in technology and skills and improve productivity

Protecting of the UK’s food supply chain integrity and competitive position

- Monitor international markets and supply chains and protect the UK industry from competitive disadvantages
- Monitor food imports to prevent any compromise of UK food safety and plant/animal health standards
- Adopt “clean, green” principles and consider policy interventions when necessary

Accelerating plans to increase UK exports

Adopt and implement the Sector Council Export Recovery Road Map quickly

- Effectively support exporters domestically
- Identify sustainable growth opportunities
- Deliver improved engagement with buyers

Building on the successful government and food industry collaboration

- Review whether a full return to Competition Law pre-Covid is necessary or desirable – continue to facilitate collaboration across the supply chain
- Continue to aim for a Four-Nation cross-UK approach to specific measures and to timetabling
- Conduct a review and capture learnings from the government/food industry response to the Covid crisis
- Leverage the Food & Drink Sector Council and other government/industry groups
- Support for the advocacy of British food and the British food industry

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FDSC Covid-19 Recovery Plan

Notes | The FDSC and Covid-19 Recovery Working Group

- The FDSC brings together representatives from across the agri-food chain, including the devolved nations, to work with Government
- Its working groups do not duplicate work already going on within industry sectors or sub-sectors
- Its primary focus is on food chain issues that are strategic and affect the whole food and drink supply chain
- This Covid-19 Recovery Plan takes a 12-month horizon and will feed into the long-term National Food Strategy work. This recognises that the Covid-19 crisis, and the lessons from it, will have far-reaching effects on future food strategy
- The Working Group was co-chaired on behalf of the FDSC by Gavin Darby and Judith Batchelar with participation from food industry trade associations (AHDB, NFU, FDF, FWD, UK Hospitality) and individual companies (Volac, Associated British Foods, J Sainsbury, Coca-Cola European Partners), and supported by the FDSC secretariat

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