

**MINUTES OF THE BREXIT ARABLE GROUP MEETING, HELD ON MONDAY 14
JANUARY 2019 AT 21 ARLINGTON STREET, LONDON, SW1A 1RN**

Attendees:

Alex Waugh (AW) (chair) - **nabim**
Paul Rooke (PR) – AIC
Julian South (JS) - MAGB
Sarah Nightingale (SN) - GAFTA
Robin Manning (RM) - DEFRA
Alex Costigliola (AC) - **nabim**
Susan Twining (ST) - CLA
Christiana Millard (CM) - DEFRA
William Reay (WR) - DEFRA
Gareth Evans (GE) - DIT
Tracy Wilson (TW) - APHA

Michael Bellingham (MB) – PFMA
Joe Brennan (JB) - **nabim**
Jon Calland (JC) - Tilda
Ian Mace (IM) - AB Foods
Amanda Lyons (AL) - DEFRA
Gordon Polson (GP) - FoB
Andrew Leech (ALe) - DEFRA
Sarah Hugo (SH) - DEFRA
Jenny Rowntree (JR) - DEFRA
Rosie Anfield (RA) - DEFRA
Richard Vennelle (RV) - APHA

Joined remotely:

Cecilia Pryce (CP) - Openfield
Angela Bowden (AB) - SCOPA

Jack Watts (JW) - NFU

Action Summary:

- 3) AL to arrange for ELMS test and trials team to attend a BAG meeting.**
- 6) AW to draft a letter to ministers on no-deal tariff uncertainty.**

1) Welcome and introduction

- AW opened the meeting at 14.00. Participants were welcomed and introductions made.

2) Minutes of the previous meeting

- The minutes of the previous meeting were agreed as a true record.

3) Environmental Land Management System (ELMS)

- PR said there was uncertainty from industry over the pilot that would be launching and how information from the pilot would be feedback into the system.
- It was asked that there would be a more in-depth discussion on the pilot, either at the February BAG meeting or later.
- ST outlined that the full scheme would be up and running in 2021. Over 100 projects had been put forward to be tested. A project on payment methodologies was intended to start in April and would run for 9 months. The project tender was a wishlist of issues that needed to be considered when determining payments and payment rates.
- ST said this was a new programme and not 'countryside stewardship plus'. There were questions around the budget and how that would drive land use change, an important issue for markets.
- AL said the tests and trials team could attend a BAG meeting.

ACTION: AL to report back to the test and trials team and see when they could attend.

- IM said it would be helpful for the team to take the BAG through the trials and tests that were being run, to a reasonable level of detail, to see how this would work.
- JW said the principle of natural capital will be interesting as a marketplace for environmental goods would develop. He added that a frustration with natural capital was that a lot of the academic work had been done on urban settings.

- AW asked whether a food business interested in marketing its environmental credentials could bid for subsidy on the basis that it would be achieved within their supply chain. PR said this could be done if there was a contractual agreement with producers.
- ST said the farm inspections and regulations review would be consulted on in a few months.

4) WTO

- RM outlined that the UK launched the GATT Article 28 process on 21 December. This is the intention to enter a negotiating phase with those countries that objected to the split of TRQs. There would not be much development in this area until summer.
- AW asked if there was any interest in getting a group to go to WTO to discuss. PR said the group would need to pick a time when the WTO had something to say and when a meeting would be suitable, likely around April. PR added that the WTO were more concerned with China-US trade relations.
 - CP asked how companies would apply for TRQs once they are available. RM said the situation would likely be similar to the current system.

5) Phytosanitary certificates - RV and TW

- RV said that for the import of plants it was agreed the risk would not change on day one of no-deal exit and goods that were not regulated before would not need to be regulated.
- Third country goods transited through the EU using roll-on roll-off would need an authorised point of first arrival scheme. There would be no change to the requirements for goods imported directly from third countries.
- Export of goods to EU was covered under annex 5 of the Plant Health Directive, which states that phytosanitary certificates would be required. Annex 3 outlines what is banned from third countries.
- The agency was engaging with industry to get information on what goods are required where and in what volume. They were also carrying out a recruitment drive for day one planning.
- The UK would not require phytosanitary certificates from the EU for grains.
- CP asked whether processed cereals were considered plant products. RV said a phytosanitary certificate was not required for malting barley or flour.
- JS outlined concerns that UK malt exported to other parts of the world would require certificates where EU countries do not, putting the UK product at a disadvantage.
- TW said 100 new inspectors were being recruited, not just for the field but also centres for international trade that would deal with issuing certificates. It was hoped that phytosanitary issues would not inhibit trade on day one post-Brexit. It was expected that the agency would be at full strength by the end of March.
- TW outlined that the agency was examining where processes could be streamlined and asked that clients familiarise themselves with new systems as quickly as possible.
- SN said that the waiting times for certificates was still problematic TW said there was a 7-day service level agreement, but the agency were currently completing certificates in four days. She added that if there were delays, the agency should be notified. All the timescales for different commodities were listed on the gov.uk website.
- TW said the agency was confident that there would be enough resource to deal with the additional requirements.
- JS asked whether there was an opportunity to use own laboratory staff to carry out checks. TW said that it had to be a government approved laboratory and all certificates would go through

Fera Science Ltd. RV said that in the Netherlands there was a system where some external laboratories were authorised to do some tests.

- JS said the competency existed within laboratories and it was just a matter of assuring this.
- TW asked for the key concerns relating to phytosanitary certificates. JS said timing and cost became a significant factor for some small loads.
 - AG said that for pulse exports, there was a 10-day wait for the certificate and this incurred a significant cost if a vessel had to wait to discharge. There were concerns as to whether the approved laboratory would be able to deal with the increased workload.
 - RK said that Fera were looking to build an uplift of 300% for sample intake.
 - CP said it would assist if there was official guidance from Defra in terms of what was needed for export of grains and pulses to Europe.
 - AL asked if a breakout session would for those exporting animal/plant products would be useful. PR, MB and SN said they would liaise with their members to see if this was required.

6) No-deal tariffs - JK

- JK said there was still uncertainty over the withdrawal agreement and Defra had continued to work at an official level developing tariff policy for the UK in the event of no-deal Brexit. The government's priority was to try and avoid sharp changes in prices for consumers whilst maintaining negotiating capital for the UK in trade negotiations.
- A definitive answer on tariffs had not been provided by ministers and it was expected that this would be given by early February. The legislation would have to be in place by 24 February to provide enough time to adopt a tariff schedule. It was hoped that guidance to industry would be provided before then.
- PR stated that for some sectors the uncertainty was stopping trade.
- AW said that the flour milling sector had looked at using special measures to avoid the full burden of tariffs and the uncertainty had led to inertia from officials in no-deal preparation. The feedback from HMRC was that they were waiting for a political decision but this was not helpful for contingency planning.
- AW said that many businesses had just assumed that there will be tariffs and had imported in advance of the deadline to prepare.
- It was agreed that a letter would be drafted requesting clarity from ministers on tariff arrangements.

ACTION: AW to draft a letter to Ministers on no-deal tariff uncertainty.

7) No-deal planning

- AW outlined the NFU had held a no-deal planning event and would circulate a list of the outcomes and key points. Logistics was a particular issue and AW said there were concerns that the government had focused on channel ports and not on other ports that may be used, or ferry ports that connected to Ireland.
 - PR had asked AIC members to list the ports they were using so that this could be followed up.
- AW said that the next meeting of the food and drink group was on 22 January and any logistics issues should be fed in via himself and PR.

- MB asked if any arrangements had been made for designated points of first entry. RK said this related to 3rd country goods that had moved through an EU corridor using roll-on roll-off ports. Full import controls would need to be carried out but this could not be done at the port as there would be no infrastructure to do so. Instead the tests would be done at a private facility and an importer could have premises approved to be a designated point of first arrival. Inspectors would then come to the approved site. This scheme would only operate for plant commodities.
- Tracy said that the APHA would draw up a list of what commodities the scheme would apply to.

- IM said that government had asked businesses to send lists of what they regarded as critical ingredients. This had been provided but there was no follow-up and it was unclear whether it had implications for government and could be factored into business planning.
- IM said that if the government were to ensure supply of a particular ingredient, it would give businesses one thing less to worry about.

8) Other business

- There was none.

9) Date of next meeting

- The next meeting would be held on Monday 11 February, commencing at 14.00.