

MINUTES OF THE BREXIT ARABLE GROUP MEETING, HELD ON MONDAY 10 SEPTEMBER AT 21 ARLINGTON STREET, LONDON, SW1A 1RN

Attendees:

Alex Waugh (AW) (chair) - **nabim**

Paul Rooke (PR) – AIC

Tori Morgan (TM) - NFU

Ian Mace (IM) - ABF

Fraser McAuley (FM) - CLA

Amanda Lyons (AL) - Defra

Nigel Garbutt (NG) - Defra

Dominic Rowland (DR) - Defra

Briony Turner (BT) - Defra

Dan Guy (DG) - Defra

Allan Howsam (AH) - Defra

Geoff Richards (GR) - DIT

Simon Allcock (SA) - DIT

Joe Brennan (JB) - **nabim**

Jon Calland (JC) - Tilda

Michael Bellingham (MB) – PFMA

Geraldine Albon (GA) – ACFM & BOBMA

Tim Mordan (TMd) - Defra

Chris Davies (CD) - Defra

Glyn Rice-Mundy (GRM) - Defra

Frances Duignan (FD) - Defra

Nick Olney (NO) - Defra

David Look (DL) - Defra

Sol Tep (ST) - DIT

Joined remotely:

Angela Gibson (AG) - Glencore

Cecilia Pryce (CP) - Openfield

Julian South (JS) - MAGB

Adrian Dyter - (Crisp Malting Group)

Welcome and introduction

AW opened the meeting at 14.30. The attendees were welcomed and introductions made.

1) Presentation on Food and Drink Sector Council Agricultural Productivity Working Group - JBn

- Jonathan Birnie (JBn), a consultant representing AHDB on the Agricultural Productivity Working Group (APWG) within the Food and Drink Sector Council (FDSC), gave a presentation on the Group's work. The group covers agriculture up to the farm gate and would provide long and short-term recommendations to boost productivity.
- One of the main productivity limitations identified was the lack of data collection, particularly within lamb and beef sectors. One recommendation was to develop a 'what works' centre, to collect best practice in an accessible database.
- PR said that communication from the group was critical and some in the industry were still confused over its aims. He added that there were some industries close to the farm gate, such as millers, that were not involved but perhaps should be. JBn responded that a website would be established in September to assist with communication.
- PR asked how the 'what works' centre would be funded, and whether money that was previously allocated through CAP would be used. JBn said that the NFU had discussed its funding with government and routes were being investigated.
- AW asked how the Group defined productivity. JBn said that the definition would be included in the report produced by the Group and added that productivity would have a different meaning across different industries. NO said that productivity measures used by Defra took into account both value and volume of production.

2) WTO goods schedule - FD

- Frances Duignan (FD) gave an outline of progress in developing a UK-specific WTO goods schedule.

- The UK would continue the technical retrospective approach that had been used with the EU and would replicate bound commitments.
- TRQs would be split on the basis of 2013-15 trade flows.
- The UK had submitted its draft schedule to the WTO, outlining its post-Brexit WTO market access commitments for goods. There was a 90-day window (beginning from 19 July) in which WTO members could raise objections. It was expected that some members would raise objections close to the end of this period (17 October).
- FD considered that discussions on schedule concessions would not begin until summer 2019.
- TM asked what concessions the UK could make if not an increase in market access. FD said that the UK was in a good position to not have to make concessions.

3) Negotiating new FTAs - GR

- Geoff Richards (GR) reported that the DIT had launched consultations on future FTAs with Australia, New Zealand, the US and CPTPP. The deadline for responding was midnight 26 October.
- He outlined that there were three key elements to DIT stakeholder engagement:
 - Guidance panel. It was reported that AHDB had applied to join this.
 - Existing stakeholder groups such as BAG.
 - Regional events and online consultations.
- Stakeholder events were being held across the UK. The full list would be circulated to the group.
- GR stated that the environment secretary had made it clear he wanted high quality FTAs and did not want to undercut food or animal welfare standards.
 - TM asked whether Liam Fox and DIT held the same view. GR said that there were negotiations to be held within government but DIT were aligned with the Defra position and they considered anything that looked like a dilution of standards would not be well received.

4) AHDB review - TMD

- TMD outlined that Defra had launched a review of AHDB as one had not been carried out for ten years. A formal consultation would run for ten weeks. The deadline for responding was 9 November.
- In addition to the consultation, a number of workshops would be held to discuss views. The dates and locations were listed as:
 - London - 28 September
 - York - 1 October
 - Bristol - 8 October
- TMD invited the group to discuss their views on AHDB.
 - PR said he was not sure whether the synergies promised as part of AHDBs formation had been achieved. There were concerns that communication between the AHDB markets teams and the cereals industry had been negatively affected by recent changes to the arrangements of market intelligence discussions. He added that board members were not from industry organisations, which could lead to issues with information feedback within some sectors.

5) Tariffs in a no-deal scenario - BT

- Briony Turner (BT) gave an overview of no-deal planning in relation to tariffs.
- PR asked how easy it would be for the UK to vary tariffs if it reverted to a WTO/MFN schedule in a no-deal scenario.
 - BT said there would be secondary legislation to change applied tariffs without needing to notify the WTO.
- TM raised NFU concerns surrounding unintended consequences of varying tariffs, for example if a beef tariff was lowered to facilitate imports from the Republic of Ireland, leading to cheaper imports from South American countries.
- BT asked stakeholders to share their views after the meeting. Her presentation could not be shared owing to DExEU information restrictions.

- AW said that UK manufacturers produce large amounts of processed foodstuffs and markets for these products would be lost or restricted in a no-deal scenario. IM added that it would be useful for businesses to know when tariff movement would occur, otherwise there would be a risk of buying stock at a higher price than competitors which would discourage contingency planning.
- AW said that consumer prices should not be assumed to decrease if tariffs were removed and highlighted that a unilateral reduction in tariffs would not have a significant effect on the prices of products from the arable sector.

6) Food Chain Engagement Structure - NG

- Nigel Garbett (NG) outlined the government strategy for engaging with the food and drink supply chain.
- It was outlined that the BAG would feed into a new agri-food chain business group that would consider whole chain Brexit impacts and would engage with DExEU and DIT. The group would have a particular focus on future trade.

7) Next meeting

- The next meeting would be held on 15 October, commencing at 14:30 at 21 Arlington Street.
- Topics to be covered would include business resilience, future trade policy and stakeholder preparations for a no-deal scenario.