

MINUTES OF THE BREXIT ARABLE GROUP MEETING, HELD ON MONDAY 11 MARCH 2019 AT 21 ARLINGTON STREET, LONDON, SW1A 1RN

Attendees:

Alex Waugh (AW) (chair) - nabim	Michael Bellingham (MB) – PFMA
Catherine Barrett (CB) – AIC	Joe Brennan (JB) - nabim
Sarah Nightingale (SN) - GAFTA	Ian Mace (IM) - AB Foods
Jeremy Moody (JM) - CAAV	Jack Watts (JW) - NFU
Gordon Polson (GP) - FoB	Julian South (JS) - MAGB
Jon Calland (JC) - Tilda	Angela Gibson (AG) - Glencore
Tori Morgan (TM) - NFU	Sarah Hugo (SH) - DEFRA
Robin Manning (RM) - Defra	Rosie Anfield (RA) - DEFRA
Jenny Rowntree (JR) - DEFRA	James Grischeff (JG) - Defra / Natural England
Steve Morgan (SM) – DEFRA	Carla Jones (CJ) - DEFRA
Gareth Evans (GE) - DIT	John Sanderson (JS) - Farmer

Joined remotely:

Dave Eudall (DE) - AHDB	Angela Bowden (AB) - SCOPA
Amanda Lyons (AL) - Defra	

Sound for remote attendees was not working and the call was ended.

1) Welcome and introductions

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

2) Update on Environmental Land Management Scheme (ELMS) - JG (Defra / Natural England)

- JG outlined the new ELMS and compared it to the current environmental schemes that farmers worked to.
- One of the key differences was that the new system was results-focused, and farmers would be given flexibility to achieve these results, rather than following a prescription of actions.
- Test and trials are beginning. Proposals were submitted by farmers, agronomists and other stakeholders for features to be included in the system. The proposals were being assessed by Defra.
- The early results of the tests and trials will help to inform the pilot. It was intended that the pilot system would be close to the final version, but with some room for changes.
- The timeline for the system was:
 - Tests and trials (2019- 2021 or later)
 - Large scale pilot, around 1000 farmers (2021-2024)
 - Full roll out (2025-2028)
- The first results from tests and trials were due in autumn 2019.
- JW said it appeared the tests and trials were largely desk-based. JG said that results from physical trials would take too long to report.
- CB asked whether there was much engagement with agronomists. JG said agronomists were working with some of the lead stakeholders who had submitted proposals, but no specific proposals had been headed up by a particular agronomy company in phase one.
- AG flagged that different schemes would be required in different areas and it would be useful to understand how this would be organised.

- JG said that the intention was to have payments based on the natural capital benefit provided. There was an ongoing academic exercise to work out what this would mean in practice and the payment grades.
- SN said that traders did not want to see a loss of data, such as areas sown. There had also been issues with the differentiation between AHDB and Defra area data.
 - JG said he did not foresee a loss of cropping data.
- JM said a mistake that had been made in many agri-environment schemes was a failure to consider changes of farm structure during the agreement. This needed to be accounted for, particularly as the UK farm structures would be changing in the coming years anyway.
- AW asked whether it was expected that payment for the provision of similar services would vary from one location to another. JG was not certain on this point.
- It was emphasised that farmers would be making investment decisions well in advance of the roll-out of the new scheme and there needed to be detail as soon as possible.
- JM highlighted that features of a natural system, e.g. pollinator counts, were highly variable and a system based on these metrics may not be attractive to farmers. There was a challenge in how this variability would be accounted for.
- John, outlined his experience of a pilot results-based agri-environment scheme that was originally an EU project and had been extended in the UK. The scheme focused on biodiversity and did not prescribe approaches but allowed farmers to adopt their own.
- If results were not achieved, the farmer would not be paid. The main feedback from farmers had been that the risk focused minds and the environmental goods were treated in the same way as crop.
- There were 13 farmers involved in the trial. 2018 had been a concerning year in terms of achieving the payment, as it was thought that the drought and high temperatures would make it difficult to deliver the outcomes, but most farmers were successful.
- The payment by results scheme plots compared favourable against traditional stewardship environmental schemes.
- JW said it was important that where work had already been done it should be recognised under the new system, otherwise some farmers may see an opportunity to work from a lower baseline and achieve greater improvement, eliminating some of the current progress.

3) Food labelling and goods on market - Steve Morgan (Defra)

- SM provided an overview of goods on market issues and food labelling changes that would be required in the event of a no-deal Brexit scenario.
- Some changes would come into effect from day one and others would take longer.
- The UK government were proposing to use the current EU definition of goods placed on the market and bring this into UK law.
- The intention was that this would enable anything on shelves, in warehouses or in transit to continue to be sold through on day one. It remained to be seen what the EU27 approach would be, however. Defra were liaising with the Commission to get clarity on this.
- AW said that in the context of EU food law, any crop and associated product that had already been produced would be considered as on the market in the UK.

- The government were aiming where possible to allow a transition period for labelling changes for goods produced or imported and placed on the UK market after exit day.
- There were a few instances where it was not possible to make these transitions in law and Defra were engaging with enforcement agencies to try and adopt a pragmatic approach.
- There were three labelling changes that should technically occur immediately after exit day (country of origin labelling, EU organic logo and EU emblem) but UK government would take a pragmatic approach to help businesses transition.
 - There were ongoing discussions relating to organic logo equivalency and it was hoped that this would be resolved and exported organic products could continue to use the EU organic logo.
 - The EU emblem was EU intellectual property and the UK would not be able to use it. Only a small number of products actually used this logo.
- There were a number of changes that would need to take place by December 2020.
 - For the UK market, products of animal origin would be allowed to be described with the EC mark for the 21-month period and could also carry the GB name. However, for UK products exported to the EU, it was required that the UK used the ISO standard mark, GB or United Kingdom. Products exported to non-EU countries should carry the UK marks. There was guidance on this on the FSA website.
 - For geographical indications, the GI logo would be required by March 2022. Guidance on this could be found on the gov.uk website by searching 'food labelling'.
 - MB asked whether the labelling changes covered pet food. SM said he would discuss this with the pet food and animal products teams.
 - IM asked whether products of non-UK origin needed to use GB or UK marks and whether this could also be done for products of EU-origin. SM said this was being checked.
 - AW said it was essential to understand what the EU27 would be doing. SM said government were preparing for discussions with member states on this subject.
 - Guidance documents on the gov.uk website would be updated. IM said that when updates were made it would be useful to have these highlighted.

4) Trade agreements and continuity – Carla Jones (Defra)

- CJ presented the continuity programme for trade deals the UK were part of through EU membership.
- DIT had published guidance on 21 February which outlined the progress that had been made and focused on no-deal scenarios.
- Defra wanted to hear industry feedback on the agreements that would be particularly sensitive for sector products or supply chain.
- IM highlighted that when exporting without a trade deal, a certificate of origin would be needed, even if there was no origin preference. Certificates would say "European community" and there was concern that some countries would not accept this from the UK. CJ outlined that some countries have said they will accept transitional measures if a deal is agreed with the EU, whereas others have not indicated either way.
- TM asked whether there was enough time for agreements to go through parliament. CJ said contingency measures were being looked at but she could not comment on them.

5) International agreements - Robin Manning (Defra)

- RM said good progress was being made on transitioning international agreements into bilateral agreement.

- There was approximately 16 that would not be transitioned but they were not judged to be majorly important. Three or four related to UK participation in international forums, for example the International Grains Council, where there was an expectation the UK would join in its own right but could not do so whilst an EU member. RM would share the list of 16.

6) No-deal tariff schedule

- RM hoped that an announcement would be made soon.
- JM asked whether 21 days was enough time for government to pass the necessary legislation. RM said that as he understood it, the Treasury could adopt a schedule that would come into effect immediately and parliament would have a requisite period in which to support or oppose them.
- RM said there was nothing further to be done to influence the no-deal tariff policy, but confirmed that after EU exit, there would be a more detailed consultation on longer-term tariff policy, likely led by HMT.

7) No-deal planning

- AW had circulated a copy of the guidance by French directorate general for trade guidance on UK-France trade in the event of a no-deal Brexit.
- SN reported that APHA had stated if an importing country did not legally require a phytosanitary certificate, APHA would not provide one. This would be an issue for customers in those countries who required a certificate for commercial reasons and it was hoped APHA would be pragmatic.
- JS reported that a MAGB member had despatched a delivery to Japan that would arrive after 29 March and the Japanese authorities had adopted a pragmatic approach to phytosanitary certificates.
- There was a discussion on the BPS crop area data. AB asked for clarity from Defra statisticians as the issue would affect pricing toward the end of the season. JW added that the implication of tariffs made this a more pressing issue. RM said a meeting could be arranged to discuss further.
- AW reported that IGD, AHDB and FDF were producing a Brexit information hub for food and drink manufacturers. The starting point was an FAQ but would eventually include a reference process to connect enquiries with someone best able to answer. There would be a degree of liaison with government teams too. Questions sent by member businesses should be forwarded on to AW so they could be included in the FAQ.
- TM said the NFU were operating something similar and had been summarising technical notices for their members. These notices were only available to NFU members but if BAG members were interested in any TM could send them over.
- AW highlighted that some of the information on IPR presented by HMRC at the last BAG meeting had not been communicated to customs officers. BAG members should let AW know of instances where they were told measures applied but this was not the case in practice.

8) Next meeting

- The next meeting would be held on 8 April, commencing at 14:00 at 21 Arlington Street.