

MINUTES OF THE BREXIT ARABLE GROUP MEETING, HELD ON MONDAY 15 OCTOBER AT 21 ARLINGTON STREET, LONDON, SW1A 1RN

Attendees:

Alex Waugh (AW) (chair) - nabim	Ian Mace (IM) - ABF
Paul Rooke (PR) – AIC	Joe Brennan (JB) - nabim
Jon Calland (JC) - Tilda	Michael Bellingham (MB) – PFMA
Jeremy Moody (JM) - CAAV	Jack Watts (JW) - NFU
Phil Bicknell (PB) - AHDB	Susan Twining (ST) - CLA
Sarah Nightingale (SN) - GAFTA	Julian South (JS) - MAGB
Amanda Lyons (AL) - Defra	Robin Manning (RM) - Defra
Nigel Garbutt (NG) - Defra	Chris Rumble (CR) - Defra
Julia Ellis (JE) - Defra	David Look (DL) - Defra
Emma Simpson (ES) - Defra	Rakib Miah (RM) - Defra
Brendan Bayley (BB) - HMT	

Joined remotely:

Cecilia Pryce (CP) - Openfield	Rose Macfarlane (RM) - Defra
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Welcome and introduction

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

Minutes of the previous meeting

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

Action Summary:

- 1) Industry stakeholders to copy Defra into DIT consultation responses.**
- 2) Industry stakeholders to submit no-deal tariff feedback to James Kane.**

1) DIT consultations

- It was commented that there was duplication across consultations and the design had made it difficult for some trade associations to gather responses from members. IM added that it was also difficult for a single company to make a response. The overall view was that the consultation design was poor.
- It was questioned as to why the UK was focusing first on a trade agreement with the US when many considered this to be one of the most difficult negotiating partners.
- RM said it was a priority to transition existing free trade agreements and that government was aware some businesses relied heavily upon imported goods.
- JM highlighted that promoting UK exports and opening new markets required extended cumulative effort and government support would be required.
- RM asked that copies of consultation response were copied to Defra upon submission.

Action 1: To copy Defra into DIT consultation responses.

2) Rules of Origin

- The follow-up paper, produced by some members of the BAG, had been widely circulated amongst UK government.

- In early October a meeting had been held between BEIS, FDF and Steven Adams (Global Counsel) to discuss the topic further. It was agreed that the paper was useful, but including specific food and drink examples had stopped some other industries engaging on the issue.
- The next step would be to produce a 2-4 page summary to accompany a set of slides and make the rules as general as possible to encourage engagement with other sectors.
- There had been rumours that the government would use pan-Euro-Mediterranean (PEM) rules as a starting point but this had not been agreed.
- The Defra RoO team would attend the November BAG meeting.

3) Agri-food chain business group

- There was a discussion on who the group would nominate as a representative on the agri-food chain business group.
- It was outlined that the intention was for detailed BAG discussions to be fed into the group via the nominated representative. RM said that the BAG would continue to operate and was considered important by government.
- There were concerns from BAG members that specific industry expertise would be required when dealing with particular issues.
 - NG said that depending on the agenda, experts could support the BAG representative and this would be fleshed out in the terms of reference.
- It was agreed that it was important for the BAG to see a detailed agenda in advance of the meetings.
- JW said it would be important to map out the particular technical experts for specific areas.
- The first meeting would be held on 8 November.
- AW outlined that there were concerns that one member of the BAG would not be able to cover all arable industry interests.
- It was agreed that AW and PR would represent the BAG on the Agri Food Chain Business Group.

4) Health and Harmony Consultation

- CR presented on the results of the Health and Harmony Consultation and the contents of the Agriculture Bill.
- CR emphasised that the proposed Environmental Land Management (ELM) system would provide farmers with more flexibility than CAP and that farmers were tired of bureaucracy. The level of funding farms received would be tied to natural capital benefits.
- The new payment scheme would be delivered in phases and it was expected that there would be a two-year transition period until 2021. From 2021-2027, direct payments would be phased out.
- Defra were aiming for an individual ELM approach for each farm, with payments given on a results basis.
- JW said there were concerns from NFU members that UK standards would be elevated and then undermined by imports, particularly in grain as this was such a mobile commodity. He added that natural capital was difficult to measure and there were concerns over its use in payments.
- PR said farmers had been concerned by the lack of figures in the bill. He added that some growers were wary of environmental schemes owing to how they had been administered previously. He added that more detail on the proposed intervention powers during extreme market conditions would be desirable. JW added that farmers were eager to deliver

environmental benefits, but the administration of previous schemes had made this difficult in some cases.

5) No-deal planning - tariffs

- AW said the prevailing view had been that in the event of no-deal, tariffs would be applied bilaterally. If tariffs were to be unilateral, this would significantly change business no-deal planning and as such government clarity was necessary.
- BB said that there were a number of considerations regarding no-deal tariff structure. Central to the government approach was to minimise disruption and for there to be neutrality of impact.
- JW said tariffs was a politically charged area but the net impact of tariffs for grain had little impact on consumers. He added that reducing tariffs diminished trade agreement negotiating capital. JC said that removing tariffs meant concessions could not be offered to poorer/developing countries and that only 10% of rice imports paid a tariff.
- SN said that the government should minimise consumer disruption and GAFTA supported free trade.
- CP said tariff issues were specific to individual commodities but the overarching issue was whether the UK had sufficient administrative infrastructure to deal with tariffs.
- AW said there were issues around competitiveness and that export tariffs would see the loss of some of the EU market resulting in UK business closures.

- AW said that trade in the arable sector was largely organised in a manner so that tariffs did not apply.

- MB asked whether government would look at each tariff code. BB said a broad approach would be taken initially and this would be applied to individual tariff codes.
- BB said the best approach would be for members to provide feedback to James Kane on individual tariff codes.

Action 2: Provide feedback on tariffs on a code by code basis to James Kane.

6) No-deal notices

- RM said that Defra had increased its focus on no-deal preparations and Sally Warren was leading a directorate to look at this area.
- Defra were interested in understanding potential issues other than tariffs.
- SN said there were concerns about whether there would be enough officials to allow trade to continue and added that a helpline for when issues were encountered would be helpful.
- JS said phytosanitary requirements had been causing concern amongst maltsters.
- IM asked for a technical notice on the status of EU nationals post-Brexit.
- AW said that the food industry had looked at moving imports away from Dover but there were serious logistical challenges to stockpiling for some industries. PR added that the window for increasing stockpiling capacity for plant protection products had gone and there was little flexibility in the system.

7) Next meeting

- The next meeting of the group would be at 14:00 on 12 November, held at 21 Arlington Street.