

## Food and Drink Industry Round Table on the Future UK-EU Relationship Tuesday 18 December 2018

### 1. No deal Preparedness

#### a. Priority Ingredients

In the event of a no deal EU Exit, Government would prioritise certain ingredients at ports that would be under greatest pressure, e.g. Dover and Ramsgate. This is being discussed at the weekly F4 meetings (FDF, UK Hospitality, NFU and BRC). Food and medicine has been identified as a priority, but no further details have been confirmed. The Department for Transport (DfT) is working with ports and haulage companies to get them ready for EU Exit. The EC has published [guidance](#) to stakeholders.

Loss of access to relatively minor ingredients can prevent products being made, e.g. food additives, enzymes, yeast, disinfectant or spare parts for machinery or vehicles. There is concern that these parts may be overlooked by Government. Milk powder is a key ingredient in many goods and we are dependent on the EU with domestic UK supplies limited.

Government is keen to understand which ingredients are essential and where alternatives could be used. Industry needs to better understand the cost of redirecting trade to alternative ports and how this would affect production timescales. Manufacturers may be asked to help fill empty shelves by retailers. Flexibility around packaging/labelling requirements could ease pressure on manufacturers in this scenario. If products are made for the UK market, there will be scope for flexibility. Products for export to the EU will need to comply with EU law.

Industry needs clarity on mechanisms to prioritise imports of ingredients. This will only take place at certain ports rather than UK-wide. A distortion to trade between the UK and Ireland could cause problems with the number of lorries ending up in the wrong place. The lack of certainty is impacting on investment decisions, including the introduction of new product lines. One company is spending ten percent of its turnover on no deal preparations – more than its profit margin. Government asked trade associations to encourage their members to ensure they prepare for a no deal scenario.

#### b. Logistics

Industry expects a significant reduction to exports in a no deal scenario and this would affect the location of lorries. The supply of drivers in the logistics industry is already a concern. Government's plan is to rely on [ECMT permits](#) and to seek bilateral arrangements with EU countries. Flexibility on driver hours might be required.

Government will conduct checks on a risk-based approach in a no deal scenario. There are concerns around where and when checks would be implemented, as there are not enough Border Inspection Posts (BIPs) in place to facilitate the volume of UK-EU trade. Checks in market would be preferential for business. Certain goods may have to enter the UK via Rotterdam, making product journeys longer and costlier. Some smaller ports do not have Designated Point of Entry (DPE) clearance or customs officers to facilitate UK-EU trade.

Redirecting lorries away from Dover-Calais could be problematic. Road networks around other ports may not be able to handle increased traffic. There is some spare capacity available to export to the EU via UK container ports.

### 2. Updates from Government and Industry

The 'meaningful vote' is expected to take place in the week commencing 13 January. Government continues to increase its no deal preparations, [which have been agreed by](#)

[Cabinet](#). Further announcements on no deal preparations will follow. Legislation will be tabled and more detailed guidance published in January.

Three to four hundred workstreams will be enacted across Government as part of no deal preparations. Announcements on tariffs and the continuity of EU FTA's are expected in January. Tariff Rate Quotas (TRQs) in a no deal scenario are a concern for industry. Industry should write to the Cabinet or relevant Government departments to share views. Government will [write to over 140,000 businesses](#) advising on preparations ahead of 29 March (SMEs and businesses that only export to the EU). Industry encouraged Government to also write to trade bodies.

Industry needs early confirmation if Government plans to suspend non-emergency workstreams. Sector Deal negotiations are taking up significant industry resources that could be redirected to support businesses on Brexit.

We continue to see requests and proposals from Government that will cost the industry large sums of money e.g. a recent consultation on waste proposals that, if enacted, could cost the industry billions of pounds.

Government must communicate with a single voice. Industry is struggling to deal with duplication of requests and correspondence from Government departments. The Chair encouraged members to approach F4 attendees if they feel there is an item that needs to be raised with senior Government figures.

The group agreed to meet for a conference call in the first weeks of January discuss no deal preparedness.

### Future Meetings

Date	Time	Location	Focus
Thurs 28 February	14:00-16:00	Nabim	TBC
Thurs 28 March	14:00-16:00	FDF	TBC
Tues 23 April	14:00-16:00	FDF	TBC
Tues 28 May	14:00-16:00	FDF	TBC
Monday 24 June	14:00-16:00	FDF	TBC
Tues 23 July	14:00-16:00	FDF	TBC
Tues 27 August	14:00-16:00	FDF	TBC
Monday 7 October	14:00-16:00	FDF	TBC
Monday 28 October	14:00-16:00	FDF	TBC
Weds 20 November	14:00-16:00	FDF	TBC
Tues 17 December	14:00-16:00	FDF	TBC

## **Actions**

- 1.** Members to share lists of priority ingredients with FDF.
- 2.** Trade Associations to continue encouraging members to prepare for no deal.
- 3.** Government to share guidance to businesses with trade associations.
- 4.** Members to approach either F4 members (FDF, UK Hospitality, NFU and BRC) if they would like an item to be raised with senior Government officials.
- 5.** FDF to convene a conference call in early January 2019 to discuss industry no deal preparations.