

## Food and Drink Industry Round Table on the Future UK-EU Relationship 29 May 2019

### 1. Update from DExEU and other departments (Inc. Parliamentary update)

European Parliament (EP) [election results](#) mean the European Peoples Party (EPP) is no longer the majority group in the EP. Four parties will decide which grouping has a majority: EPP, Socialists and Democrats (S&D), Liberals (ALDE) and Greens (EFA). The European Commission (EC) is approaching the end of its term, and it is unlikely negotiations will take place until new Commissioners are in post in November.

Government continues to focus on preparations for no-deal in October. Some emergency operations have been temporarily stood down, including [Operation Yellowhammer](#) and some DfT transport projects. These will be revisited as 31 October approaches.

Defra continues to work on non-Brexit workstreams such as allergens and the food strategy (led by Henry Dimbleby). Progress on these may be affected by the [Conservative Party leadership elections](#) which could run until the end of July.

A continuity agreement had recently been signed between the UK and Andean Community (Colombia, Ecuador and Peru).

Regular meetings set up by former DExEU permanent secretary Philip Rycroft with manufacturing trade associations were a useful vehicle for discussions between industry and government on no-deal planning. It is hoped that Clare Moriarty will reconvene this group.

The F4 (BRC, FDF, NFU, UK Hospitality) group continues to meet every fortnight. F4 sub-groups have been set up on communications, labour availability and borders/logistics.

### 2. Collective TA Round Table activity to manage a no deal outcome

In future meetings, the group will focus on i) borders/tariffs, ii) labour availability, iii) regulations, and iv) Ireland.

No-deal on 31 October 2019 or a second referendum now appear the most likely outcome, with no-deal the default outcome. Members feel that no deal preparations by both Government and business need to be dramatically increased. Trade associations need to reengage their member companies to prepare for no deal. There is concern given the two previous extensions that business will no longer take the October exit date seriously.

Impacts of unwinding stockpiling are beginning to show on the market. The costs of doing this and impact on margins will lead to price increases for consumers or reduced dividends for shareholders.

Companies know that it will not be possible to find extra warehousing space to stockpile for 31 October as this has long been booked up for use ahead of the peak Christmas production period. Companies with specialist products need up to six months advance notice to build stockpiles and will struggle to build sufficient volume by October.

There are concerns that a further extension will eat into the [implementation period](#) which runs until December 2020 to allow the negotiation of the future trading relationship with the EU. This period can be extended by one or two years if agreed by June 2020. A fisheries agreement also needs to be concluded with the EU by July 2020.

Members are concerned that the current timetable would not provide sufficient time to negotiate an FTA and crucially allow businesses time to prepare.

The EU's [Market Access Database](#) (MADB) provides a range of essential market access information to exporters, including on tariffs, non-tariff barriers and trade defence measures. Government has recently informed that it doesn't intend to replicate this system for UK end users. It has developed a new system to facilitate sharing of information on non-tariff barriers internally within Government and the only external facing component would be a form for businesses to submit information on new non-tariff barriers encountered. Industry has voiced its concern about these plans and urged Government to reconsider as a matter of urgency.

As part of the sector deal negotiations, FDF is urgently seeking views from food and drink businesses on specialist food and drink export support. Members were invited to share [this survey](#) with their member companies to help inform priority activities.

Members agreed to proceed with a soft launch of the [Brexit Support Hub](#). FDF will coordinate any required response to media enquiries. The sub group will meet on Friday 31 May to discuss next steps.

### 3. Food and Drink Industry Plan

A final draft of the Food and Drink Industry Plan (formerly the manifesto) had been circulated to the group. Members were urged to contact [dominic.goudie@fdf.org.uk](mailto:dominic.goudie@fdf.org.uk) to confirm if they would or would not be able to support this document.

#### Actions

1. FDF to write to Claire Moriarty (DExEU) requesting the continuation of meetings with the five manufacturing organisations.
2. Members to inform [luke.hindlaugh@fdf.org.uk](mailto:luke.hindlaugh@fdf.org.uk) of any issues they would like to have raised at the F4 borders sub-group.
3. FDF to circulate 40 no deal questions document to members.
4. Defra to respond to FDF's 40 no-deal questions document.
5. FDF to circulate outputs from the F4 Borders Sub-Group.
6. FDF to draft 20 recommended no-deal actions for businesses.
7. FDF to handle media activity around the launch of the Brexit Support Hub.
8. Members to confirm to [dominic.goudie@fdf.org.uk](mailto:dominic.goudie@fdf.org.uk) if they will or will not sign up to support the Food and Drink Industry Plan.
9. FDF to produce slide deck on Food and Drink Industry Plan.
10. FDF to update members at August meeting on party conference activities.
11. Members to share views on need to replicate functionality of EU Market Access Database with [bertha.eson-benjamin@trade.gov.uk](mailto:bertha.eson-benjamin@trade.gov.uk).
12. FDF to share note with members on FDF/Santander World Food India plans.
13. FDF to circulate an overview of progress on FTA continuity agreements.
14. Members to share feedback with [luke.hindlaugh@fdf.org.uk](mailto:luke.hindlaugh@fdf.org.uk) on goods seized by UK Border Force.

### Future meeting and conference call dates

Date	Time	Location
Thurs 13 June	14:00-15:00	
Mon 24 June	14:00-16:00	FDF
Thurs 11 July	10:30-11:30	
Tues 23 July	14:00-16:00	FDF
Tues 27 August	14:00-16:00	FDF
Mon 7 October	14:00-16:00	FDF
Mon 28 October	14:00-16:00	FDF
Weds 20 November	14:00-16:00	FDF
Tues 17 December	14:00-16:00	FDF