

## Food and Drink Industry Round Table on the Future UK-EU Relationship 28 March 2019

### 1. Update from DExEU and other departments

The Statutory Instrument that changes the date of the UK's exit from the EU from 29 March to 12 April has now passed into UK law. The vote scheduled to take place on 29 March could decouple the Withdrawal Agreement and Political Declaration however UK Parliament still needs to pass both. Only the Withdrawal Agreement must be passed to enable an extension to the UK's EU exit date beyond 22 May while avoiding UK participation in European Parliament elections. The April meeting of the EU Council will see the UK either opting to leave without a deal or requesting an extension.

Government will soon meet the European Commission (EC) to discuss its application to get the UK added to the list of approved third countries for products of animal origin and high-risk food/feed.

The UK will not announce details of its full Geographical Indications (GI) scheme until the day of exit, accompanied by guidance advising companies what they will need to do.

The EC has published guidance on [goods on the market](#). This addresses various aspects of EU Food law after exit, including clarification on their interpretation of goods placed on the market which takes an absolutist approach with goods in transit not considered to be 'on the market'.

The roll-over of the EU-FTA with Norway has been 'initialled' and is close to being formally signed. There are concerns that the Norway roll-over is not comprehensive and may prevent outward processing.

The Food Standards Agency (FSA) recently updated its guidance on [health marks](#).

Industry voiced concerns that the efforts to ensure a frictionless approach in Ireland and ensure essential imports reach the UK could risk the loss of public trust in the integrity of the industry. There is also a risk that border authorities in third countries may be unsighted about the status of UK goods after 29 March.

### 2. Collective Roundtable activity to manage a no-deal outcome

Companies are increasingly reporting difficulties finding hauliers to bring goods into the UK as a result of uncertainty about the UK's status and implications they could face as a result of the UK's temporary tariffs. Some businesses report substantial price increases of 40% or more which could block trade in low-margin products. A recent industry survey showed companies increasingly cited the availability of hauliers as a top concern ahead of leaving the EU.

This is a live problem for the Freight Transport Association and it is known that companies are boycotting movement of EU goods to the UK. The French customs strike is adding to this challenge because of the driver safety risks created by traffic jams, with consignments of food and drink having to be destroyed lorries are broken into.

There were concerns about the status of employees living in the UK or EU under the posted-workers directive if the UK leaves without a deal, including whether they would be given third country status which would affect their residency and ability to continue working in the UK or EU.

A short extension will drive through significant increased costs for business contingency planning which offering no significant additional opportunity for businesses to ensure they are ready for a no-deal scenario.

Discussions have taken place in other industry forums about the need for tax breaks/credits to help support the cost of industry no-deal planning. Officials noted that tax credits could be an option for the Chancellor in theory, however the possibility of companies securing compensation was described as extremely unlikely. Others have raised the possibility of tax strikes by businesses in the absence of certainty from Government.

Major disruption in movements of short shelf-life products could quickly escalate into environmental problems, including issues around disposal and the potential for rat infestations as a result. To avoid this, there needs to be full coordination between activities at both national and local levels. Government officials informed that these situations are being war-gamed in the next week and industry would be involved after these initial tests. UK Government and the Devolved Administrations are reported to be much more in sync now.

### **3. No-Deal Preparedness (Brexit Support Hub)**

An update was shared from the no-deal sub-group. There is now a draft version of the [website](#), with the FAQs included. The FAQs are being updated, by the drafting committee of the core trade associations of the Brexit Support Hub. 10 trade associations have signalled a willingness to volunteer expertise from their organisation.

#### **Actions**

- 1.** DIT to check and report back on changes in the UK-Norway continuity agreement, including potential implications for use of outward processing.
- 2.** Members to share feedback to Government if UK exports are rejected in third countries after 11pm 29 March.
- 3.** Members to share any concerns on sourcing hauliers with [luke.hindlaugh@fdf.org.uk](mailto:luke.hindlaugh@fdf.org.uk).
- 4.** Members to seek clarity on the posted workers directive with the Home Office in the event of a no-deal and share response with roundtable members.
- 5.** Members to contact Brexit Support Hub organisers in the next week to confirm if they will participate.
- 6.** FDF to circulate spreadsheet outlining areas of expertise volunteered by trade associations to the Brexit Support Hub (below in Annex A).

**Future meeting and conference call dates:**

<b>Date</b>	<b>Time</b>	<b>Location</b>
Tues 23 April	14:00-16:00	FDF
Thus 2 May	12:15-13:00	
Thurs 9 May	16:00-17:00	
Thurs 16 May	13:00-14:00	
Thurs 23 May	16:00-17:00	
Tues 28 May	14:00-16:00	FDF
Mon 24 June	14:00-16:00	FDF
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

## Annex A:

Food and Drink Brexit Support Hub Template for Logging Expertise													
Organisation:	AHDB	FDI	IGD	Seafish	IMTA	Nabim	PTF	Pack Fed	BMPA	Dairy UK	AIC		
<b>Geographical Coverage</b>													
England													
Scotland													
Wales													
Northern Ireland													
Republic of Ireland													
International													
<b>Parts of the Food Chain</b>													
Agri-supply													
Primary: farming/horticulture/fishing													
Processing/manufacture													
Distribution													
Import/export													
Wholesaling													
Retailing													
Foodservice													
Packaging													
<b>Product Coverage</b>													
Fish													
Meat													
Dairy													
Poultry/eggs													
Produce/potatoes													
Cereals/baked goods													
Ingredients													
Composite food products													
Soft drinks													
Alcoholic drinks													
Other (please itemise)													
<b>Expertise</b>													
Import/UK border controls													
Export/EU border controls													
Tariffs & quotas													
Logistics													
Certification													
Labelling/trading standards													
HR/workforce/immigration													
Environment													
Data protection/GDPR													
Food Safety													
Contaminants													
Ingredients													
Packaging													
Tax													
Security													
Financial Services													