

JOURNAL

Winter 2020 | Working in support of modern, sustainable, commercial agriculture

Agribusiness 2021:

Creating resilient and sustainable agri-food supply chains.



AIC media management in response to Beirut explosion



Ensuring audit integrity during Coronavirus

Making use of new technology and improved connectivity.

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industries
confederation

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An update from AIC Chief Executive Robert Sheasby

2020 has brought us many challenges to navigate, indeed the only thing that remains consistent is that change is always just around the corner.

We are in the last days of the EU transition period and the AIC continues to seek answers on new trading relationships with Europe as well as with continuity agreements and new trade agreements.

We're also grappling with the implementation of new agricultural, environmental and market legislation across the UK, all moving at different times to each other.

Finally, we have upcoming elections in Scotland and Wales which will undoubtedly bring more change. All of this whilst still trying to support our Members the best we can through a global pandemic that has impacted everything and everyone we hold dear. So right now, nothing seems certain.

To ensure that our Member's voices are not lost amidst a sea of change, the AIC has focused on developing consistent messaging... whoever we are talking to. We have agreed some headline principles from which AIC work will be undertaken:

- 01 **Productivity**
- 02 **Competitiveness**
- 03 **Environment**
- 04 **Sustainability**

To keep up with all the changes, our response to it and the work we're doing to represent our Members, make sure you keep in touch.

Robert Sheasby,
Chief Executive, AIC

EU exit and Parliamentary update

With no formal agreement between the UK and EU (at the time of writing) and another UK COVID-19 lockdown, it is clear that the next two months will be pivotal for AIC Members. There are a number of outstanding issues which AIC Members still need clarity on, including:

- What processes businesses will need to undertake in order to send products to the EU or Northern Ireland
- What tariffs will apply on imports and exports
- What is the scope of regulatory and mutual recognition of products?

At the same time, we must also remember that the Government has a number of Bills to pass before 31st December 2020, including the Agriculture Bill, which saw a key concession from the Government over the scrutiny of future trade deals. More importantly for Members, a Lords amendment on banning the use of pesticides was voted down, following successful lobbying from the AIC and other organisations. More lobbying activity will continue, with the Environment and Internal Market Bills passing through Parliament, as well as other Government policy papers being consulted upon.

As ever, AIC will continue to help advise Members and provide regular, up-to-date sector-specific briefings into what will be a frenetic end to the year.



Edward Barker,
Head of Policy and External Affairs



“Creating resilient and sustainable agri-food supply chains”

Agribusiness 2021 took place online for the first time, with 240 delegates watching speakers streaming speeches from their offices and homes. The mood was upbeat, and there was resounding confidence in UK Agriculture to produce food more sustainably, and capitalise on trade opportunities.

In fact, **71%** of delegates said they felt confident about the resilience of UK agriculture given the current environment, when polled at the beginning of the day, rising to **81%** at the close of Agribusiness.

The critical importance of the agri-supply sector in the delivery of food to the public was highlighted during the Covid-19 pandemic, according to Conference Chair Caz Graham, from BBC Radio 4's Farming Today programme.

This was reiterated by AIC's Chief Executive, Robert Sheasby, who reminded delegates that whilst supply chains in agribusiness were under stress this year, the delivery of products and advice onto farm never stopped.

He said: *“Businesses adapted and ensured that one way or another inputs were delivered, advice was given, and outputs collected, all done discretely and professionally as ever.”*

“If we take a lesson from Covid-19 it is that we can never take for granted that Government understands how food arrives on UK shelves, and as a consequence, the key role that AIC member businesses play in making sure this happens.”

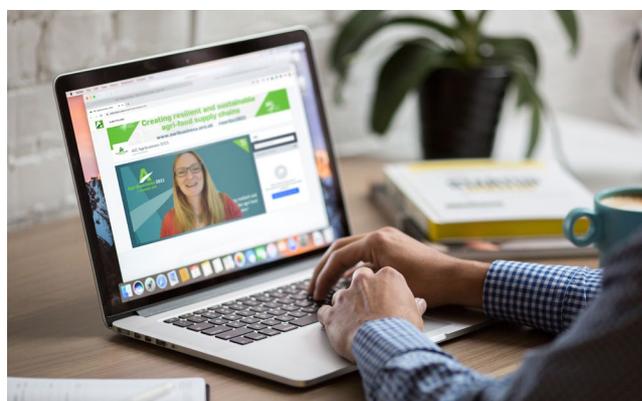
However, resilient supply chains don't happen in isolation, and the entire agri-supply industry is facing up to some of the biggest changes to agriculture in 50 years.

The conference took place on the same day that the Agriculture Bill received its Royal Assent. Victoria Prentice MP, Parliamentary Under Secretary of State at Defra, referred to this while explaining how removing the 'comfort blanket of the Common Agricultural Policy' and adopting a new approach to agricultural funding, with a focus on environmental sustainability, would also support farm productivity and profitability in the longer term.

The Farming minister recognised the collective work of the AIC, industry partners and stakeholders in producing a vision for a sustainable food chain through the AIC's Sustainability Roadmap. She said:

“By working together, we can take forward the opportunities that you have identified. Your commitment to ongoing investment will be crucial to improving profitability, while at the same time making the adaptations we need to avert climate change.”

However, NFU President Minette Batters stressed that the new Environmental Land Management scheme must be enticing to farmers if they are to base their businesses on it. When polled, only **33%** of delegates agreed that ELMS will be an adequate replacement for the current level of financial support for English agriculture.



The opportunities and challenges around export markets were highlighted by several speakers, including Ms Batters, who claimed that UK agriculture had been “lazy exporters”.

While Ms Batters raised concerns around the potential for increased trade friction in the absence of a confirmed EU trade deal, she was bullish about the opportunities. She suggested that building the British farming brand and investing in how we trade overseas would help to open up new markets.

AIC Chair Angela Booth summed up what has been a challenging time for the industry, and highlighted that businesses were working to get as ready as possible for trade at the end of the EU transition period.



“Creating resilient and sustainable agri-food supply chains”

Speaker highlights



Positive outlook

Fiona Smith, Professor of International Economic Law and N8 Chair of Agri-Food Regulation at the School of Law, University of Leeds.

Despite the uncertainties around specific trade deals, there are reasons to be positive, with the UK Government on track to produce some really interesting trade agreements that will help embed sustainability into the supply chain.



Climate challenge

The Right Hon. Lord Deben, Chair of the Committee on Climate Change.

Agriculture will have to increase its efforts to reduce carbon emissions above and beyond its own targets. Significant soil sequestration will be required to mitigate emissions elsewhere, in order to meet the challenge of the UK's net zero target by 2050.



Undercover technology

Kate Hoffman, co-founder of GrowUp Farms.

The use of technology could help improve food production sustainability. Controlled Environment Production ('vertical farming') can reduce several threats to supply chains, including modern-day slavery, food safety, logistics issues and packaging impacts.



Driving competitiveness

Nicholas Saphir, Chair of AHDB.

The industry needs to narrow the productivity gap between the best and worst farmers. Driving unnecessary costs out of the system and increasing the use of benchmarking and data to help improve competitiveness.



Benchmarking productivity

Rod Snyder, President, Field to Market.

An increasing number of farm businesses in the US are using benchmarking tools that measure the environmental impacts of commodity crop production, provide support to the agri-food supply chain and identify opportunities for improvement.



With thanks

Many thanks to all the delegates that attended the first virtual Agribusiness conference, including students from several agricultural colleges and universities who were invited as guests of AIC.

“We were delighted at the level of engagement from both AIC Members and stakeholders.”



John Kelley,
AIC Chief Operating Officer



New experiment to allow licensed inspectors

Until December 2019 there was a 'temporary experiment' allowing the use of a licensed inspector for pre-basic and basic seed rather than having to use an official inspector. AIC has made Defra and Euroseeds aware of how important it is that a new experiment begin and the UK be able to take part.

A new seven year temporary experiment to allow field inspection by licensed inspectors has now been approved by the European Commission and Defra has informed the AIC that it will be implemented under national legislation. Details haven't been finalised but Defra have confirmed they are working to have these in place as soon as possible.



Further information:
Catherine Barrett
Sector Head Arable Marketing and Seeds



Applying for Tariff Rate Quotas



In September, the AIC hosted a webinar for the arable sector on how to apply for Tariff Rate Quotas (TRQ). Darren Stretton of Defra and colleagues from the Rural Payments Agency detailed the process and answered attendee questions.

However, less than a month later things had already changed, for example you can only apply for TRQs in the first seven days of January 2021.

If a Free Trade Agreement is reached with the EU that should remove the need for tariffs and TRQs. In the meantime, the AIC continues to impress on the Government that tariffs are of great concern to our industry.

AIC continues to support Metaldehyde stewardship

Use of metaldehyde slug pellets will be prohibited from 31 March 2022 in the UK. To reduce metaldehyde movement to water, the 'Get Pelletwise' stewardship scheme has been operating for over a decade. Although use of metaldehyde has decreased significantly, it is vital that stewardship continues to minimise environmental impact and demonstrate responsible use of PPP's to all stakeholders, including the public.

The AIC has continued to fund the agronomic update system to help water companies understand when metaldehyde has been used in their catchment. Water Companies receive weekly reports highlighting when metaldehyde has been recommended together with soil drainage which they've found invaluable in helping with abstraction management.



AIC media management in response to Beirut explosion

We all watched in horror at the devastating explosion of 2750 tons of ammonium nitrate in Beirut which killed 150 people. Before the dust settled, questions were immediately raised about whether the same could happen in the UK.

A key role for the AIC is to represent our industry and in this case, ensure the media has the right information to reassure the public. This reduces pressure on Member companies and helps ensure the flow of information is measured and consistent. Having FIAS in UK was seen as an important assurance scheme to maintain standards in this area.

The media were particularly interested in the rigorous safety in the handling and storage of ammonium nitrate fertiliser in the UK. In particular:

- **COMAH site specific consequence modeling designed to minimise risk**
- **The use of high density grades**
- **Mandatory requirement for independent destructive batch tests**
- **FIAS accreditation and independent audit scheme.**



FEFAC sustainability charter 2030

FEFAC published their Feed Sustainability Charter 2030 which details how the feed industry can meet the sustainability challenge set out in the European Commission's Farm to Fork Strategy.

The Charter has five core ambitions members, including AIC, have pledged to take action on:

- 01 Contribute towards climate-neutral livestock and aquaculture production through feed
- 02 Foster sustainable nutrition through increased resource efficiency
- 03 Promote responsible sourcing practices
- 04 Contribute to farm animal health and welfare
- 05 Enhance the socio-economic environment and resilience of the livestock and aquaculture sectors

To support this activity, the AIC has launched a Sustainability Roadmap www.agindustries.org.uk/sustainability/presentation/ Additionally, we continue to develop the Feed Adviser Register to help improve farm productivity and reduce environmental impact and we remain active in our support for the development of deforestation free supply chains.

AIC Scotland update

AIC Scotland continues to support Scottish Members through the challenges of the global pandemic. Fergus Ewing MSP, Cabinet Secretary for Rural Economy assures us that AIC Member businesses continue to be classified as part of the critical national infrastructure and are therefore able to continue to operate, even in areas where tighter restrictions apply, ensuring our vital Agri-supply sector can continue to service the agricultural sector. We will keep Members updated of any changes to guidance.

In other news, AIC Scotland continues to help shape the future agricultural policy of Scotland, which is increasingly tied to environmental outcomes. We are working with other stakeholders such as NFUS to ensure that we maintain support for productive agriculture whilst addressing the need to reduce emissions.

Our key message is that through support for measures such as improving on-farm productivity we can ensure that we protect Scottish agriculture productivity whilst reducing emissions in line with government policy and as set out in our sustainability roadmap.

Due to the current restrictions, we miss being able to visit Members, but we're

still here to support you so if you fancy a catch up or need to discuss anything, please get in touch to arrange a virtual meeting. Contact ian.muirhead@agindustries.org.uk Tel: 07741 734026.

Ian Muirhead,
Policy Manager,
AIC Scotland



Chartered Institute of
Environmental Health



AIC HACCP course

AIC Services are pleased to announce the launch of a new online course: AIC Level 2 Principles of HACCP for Agri-Food. The course has been developed in consultation with AIC Members and trade assurance participants and in association with the Chartered Institute of Environmental Health (CIEH).

This course has been developed specifically for those in the agri-food sector including feed, crops for feed and food, and for all types of businesses from feed mills to merchants, stores and transport companies. Its aim is to help agri-food businesses meet their legal obligations regarding HACCP, extend HACCP awareness and support internal training systems.

The modular course can be completed on a PC, tablet or smartphone and worked through at a user's convenience to fit around other commitments. Questions throughout the course test understanding and at the end there is a short multiple choice assessment.

Successful completion of the course will provide you with a CIEH accredited certificate of qualification in Principles of HACCP Agri-Food, Level 2.

AIC Member companies can benefit from one free place on the course with additional places costing £35 + vat. To sign up for the course please contact Roberta Reeve on 01733 385244 / 07741 156512 or email on roberta.reeve@agindustries.org.uk



Roberta Reeve,
Technical Manager
for AIC Services

Ensuring audit integrity during Coronavirus

Over recent years the AIC had been looking into ways of making use of new technology and improved connectivity to make audits more efficient and effective. With the national lockdown and ongoing coronavirus restrictions, this groundwork has stood the schemes in good stead when remote auditing became a sudden necessity, rather than an interesting future development. The participant portals provided by the certification bodies have also come into their own, as a means of sharing documents easily and securely. The increased usage and feedback from users has led to improvements in functionality over recent months.

AIC has always been committed to ensuring that the schemes are robust and demonstrate the high levels of compliance achieved by participants, but their operation is also scrutinised by a number of outside bodies. The move to remote auditing led to increased interest from government agencies such as the FSA, FSS and VMD but with open and frequent meetings and exchange of data, these agencies have been satisfied that our schemes remain robust in their implementation. The certification bodies have also communicated effectively with the United Kingdom Accreditation Service on the changes to scheme operation to ensure that ISO 17065 accreditation is maintained.



Simon Williams,
Technical Manager for AIC Services

Staff announcements

Angela Booth
elected as
AIC Board Chair



Angela Booth

Director of Feed Safety at AB Agri

The AIC has announced the election of Angela Booth as its new Chair. Angela brings many years of industry experience, including 8 years as Chair of the AIC Feed Executive Committee, Chair of the FEFAC Feed Safety Committee and a member of ACAF.

"I'm delighted to be elected as Chair to the AIC Board," says Angela Booth. "We are facing unprecedented change in our industry, making AIC's role as the leading voice for agri-supply trade members more vital than ever."

"Angela has been a key figure at the AIC, promoting Members' interests across the UK agriculture industry", says Robert Sheasby, Chief Executive of AIC, "I'm delighted she will continue this in her new role as Chair. I would also like to thank Andrew McShane, for his contribution as Chair. He provided the Board with a clear and concise vision as we navigated unprecedented change".

New Chairs for AIC
Feed and Fertiliser
Executive Committees



Sam Bell

Commercial Director at CF



Nick Major

Corporate Affairs Director at ForFarmers

AIC have announced that Sam Bell, UK Commercial Director at CF Fertilisers and Nick Major, Corporate Affairs Director at ForFarmers have taken over as respective Chairs for the Fertiliser Executive and Feed Executive Committees.

Sam commenced her role on the 28th October and will focus on navigating the fertiliser sector through the forthcoming changes in a post Brexit landscape.

For the Feed Executive Committee, Nick Major was appointed at the AIC AGM in early October. He will also be working on the implications of the EU exit and new trade deals, as well as supporting the delivery of a more sustainable food supply chain in line with the recently published AIC Sustainability Roadmap.

Membership announcements

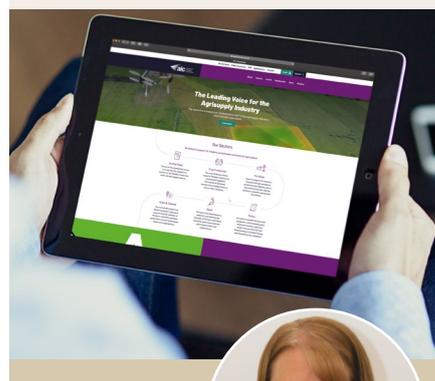
AIC Member
survey 2020

Following recent Member Briefings regarding our Membership survey, Marketing Innovations have now completed a number of one-to-one interviews with Members. Thank you so much to all those who participated.

The information we receive from the survey will allow us to tailor our services specifically to Member needs. AIC are looking to publish key information to Members in early 2021 so watch this space for further updates.

As a result of the last survey improvements have been made within the AIC Committees, enhanced database management, a refreshed website with better functionality and improved political contact. All these elements will improve our lobbying position with our key Government and stakeholder contacts.

If you have any questions regarding this please contact Tracy Smith, Membership Manager on: tracy.smith@agindustries.org.uk



Tracy Smith,
Membership Manager



For further information on COVID-19 at: www.agindustries.org.uk/coronavirus/

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