

Agri-Brexit Coalition Meeting

The Farmers Club
Committee Road
3 Whitehall Court
London
SW1A 2EL

26 July 2019

Attendees

David Caffall	(AIC)	Penny Maplestone	(BSPB)
Robert Sheasby	(AIC)	Adam Speed	(CPA)
Ruth Bailey	(AEA)	Katrina Walsh	(IMTA)
		Dawn Howard	(NOAH)

Apologies

Jeremy Moody	(CAAV)	Jill Hewitt	(NAAC)
Jaine Chisholm Caunt	(GAFTA)		

Guests

Robin Manning	(DEFRA)	Paul Rooke	(AIC)
Chris Kearney	(DEFRA)	Julia Corr (Minutes)	(AIC)
Zach Sauven	(DEFRA)	Geoff Dodgson	(AIC)
		Stephen Haworth	(AEA)

1. Introductions

RS welcomed the Defra team, Katrina Walsh and Adam Speed to the meeting, and thanked everyone for coming.

2. Matters Arising

RS asked whether there were any Matters Arising. RM commented that he and Katie Docherty at IMTA have still yet to arrange the meeting with IMTA members discussed at the previous meeting.

The action from the previous set of minutes regarding the relaunch and the new name will be carried forward to the next meeting.

The action regarding the invitation of a Chair, President or Board Member of a coalition member to a meeting will be a standing item. RS reminded members to discuss with their Chair or President and to let JC know if they would like to attend on a first come basis.

3. DEFRA update

RM commented that now we have a new Prime Minister and almost completely new Cabinet the feeling is like there is a new Government. The new team is very different to the last and is very focussed on a 'no deal' Brexit on 31 October. George Eustice takes Agriculture back from Robert Goodwill and Theresa Villiers is the new Secretary of State. RM and his team will get them up to speed very quickly but they are already very knowledgeable in their area.

Michael Gove is very aware of the issues in Agriculture. He now has a co-ordinating role across government on Brexit which was previously a DExEu role. By the next meeting in September, RM will have a far better view but far too early at present.

RM's team is focussing on leaving without a deal and its implications:

- We anticipate receiving 3rd Country listing – UK will be able to export items of animal origin to the EU
- Various implications in Ireland, but working with Defra in case of tariffs on milk and sheep
- Unlikely that the Day 1 package prepared for March will be used this time
- Free Trade reciprocation needs to be looked at – Customs Union \ Canadian Trade model – what does a 'no deal' situation look like?

RM commented that there are various technical issues – all small, but cumulatively time consuming, and difficult.

We need our own independent trade policy – there are many different possibilities and whilst the focus remains on the EU and US as the biggest trading partners there is also working group looking further afield to Australia and New Zealand

RS asked about tariff rate quotas. RM replied that there are 120 bound in law and on leaving the EU we will want to take a proportion based on UK usage. The most symbolic being New Zealand lamb (220,000 tonnes each year – duty free). Many TRQs will be done by licences and some on a first come, first served basis. On Day 1 there will be a TRQ for beef and poultry, for instance, issued on an autonomous basis.

PR asked about the tariff policy in Ireland. RM said that they are trying to ensure that there is no duty between North and South and for it to continue as it currently is but the HMRC will be ensuring that procedures are in place to allow for legal circumvention. The EU was not currently pursuing its point that the UK tariff policy was against WTO rules because of its proposed different treatment of the Irish border.

DC asked about the US scenario and what people may or may not like. We assume there would be a consumer backlash about, ie. chlorinated chicken and hormone fed beef, however if there was nothing else to buy would the consumer not buy it?

The US has issues with our geographical indicators and the issues regarding the Healthmark and ISO numbers are still ongoing in the EU and at a political level to find a solution – currently still no conclusion.

Northern Ireland is discussing the likelihood of culling sheep and dumping milk if there is 'no deal' as they will have no market to sell them to. Defra is working hard to ensure that there isn't such a great impact on farmers in NI or Scotland. Some sectors will do better than others – they have less pressing issues. The situation overall is currently very difficult – all not helped by the fact there is currently no government in NI. There has been some discussion about going back to direct rule until elections can be held whilst all the time looking for alternatives to the backstop agreement.

ACTION: RM to send a list of those on the backstop team to JC for issuing to the Coalition

KW of IMTA asked about the situation around Groupage. RM said that there is a lot of work being done on this and suggested that IMTA joined in with these meetings. This is currently causing a lot of issues outside of a single market.

ACTION: IMTA to discuss attending meetings further with RM

DH asked if there was a summary of the minutes from the F4 meetings (a sub group of B4), or whether there could be a way of communicating the minutes. People are aware that these meetings go on but have no idea of outcomes – particularly on BDG (Border Delivery Group) meetings.

PR asked about Defra reporting in general and RM agreed that there are new practices and process maps, although not everyone has access to them. RM suggested that Gill Cavendish will discuss with JC how best to cascade. However a suggestion was also made that Gill or some of her Defra colleagues could attend the next meeting, and also perhaps George Eustice. The Minister is already aware of the Coalition following the meeting at Teagle in December 2018

ACTION: RS to wait until George Eustice is confirmed in the role of Minister and then write to invite to future meetings

RM commented they are continuing, and still very keen, to engage in impacts and discussions with industry on 'what if', and asked Coalition members to continue to keep flagging anything they feel should be on Defra's radar and that may have been overlooked previously.

AS commented that timescales are very short – particularly with Summer Recess and then conference season. RM reiterated that meetings with industry such as ours are important arenas to flag issues, for us to get answers and our voices heard.

4. Industry's position in the event of a 'No-deal' Brexit

Is industry's position the same as last time or have things changed? RS commented that AIC is further upping its communications to members – signposting them to getting prepared and engaging for the process prior to the summer holidays, ready for the end of October. Some are preparing but others are doing nothing; either they are not keen to, or not able to, go down that road again. Most coalition representatives confirmed there is still some apathy from members - 'done this'.

It was discussed that only approximately 32% of hauliers have applied for an EU number. Dover and Calais will turn away, without exception, all those that don't have the relevant paperwork. Is this message being made clear enough to importers \ exporters?

RB stated that the AEA is providing courses for its members and will add on an Imports \ Exports course too. RB commented that if any of the Coalition members would like further information on the courses they are running to cascade to their members, to let her know.

Warehousing was very costly last time around for businesses – many people feel that they have been to the top of the hill and don't want \ can't afford to go there again. In addition, Christmas preparations will put extra pressure on storage capacity.

The general feeling politically this time seems to be that if business isn't ready for Brexit - then it's business's fault, whereas in March Government would have been more lenient. However what Government needs to understand is that things are very different this time around – particularly due to the time of year for Brexit, as well as allowing for inventory and large costs incurred previously

Suggestion made by IMTA that there won't be border checks with regard to meat possibly in future

ACTION: Ask RM to cover topic at a future meeting

Is there anything else that we need to consider \ push back to RM and his team? If so please communicate it!

RS asked whether we need to show more involvement with BEIS after the issue of the APWG report. Coalition felt that would be worthwhile that we did

5. Coalition Update

Whilst mired in Brexit we still haven't given much thought to and what we will do going forward post-Brexit, as well as relaunching the new name. What will our priorities be – Agriculture bill; still no further forward. Suggestion that we keep current focus going for the time being and leave the relaunch until later in the year. All agreed that we still will do it but just not now.

As a group we should be putting out a statement on our position on Brexit, both to our members and to Government saying 'here's what you should be doing – here's what is being done....' The one-pager briefing we gave to Robert Goodwill should now go to the new team along with a one-pager on the challenges that our industry faces.

ACTION: All to send thoughts \ ideas to GD as soon as possible for a quick turnaround

6. AOB

The next meeting will be 4th September – discussed that we should invite Sam Kennedy and The Minister to the next meeting. Other departments also considered were DfT, DiT and Treasury. Need to be very clear on what we want to get from these meetings

ACTION: RB commented that they have very good contacts in DiT and will contact them to check their availability for 4th September

ACTION: RS to ask RM who could come to our 16th October meeting from the other Departments

JC will be on holiday for the September meeting so RS asked if anyone else would be willing to take the minutes in her absence. GD kindly volunteered

DH will also be on holiday for the next meeting, as will PM. Alison Glennon will attend the meeting in DH's place.

Today's meeting was the last of the Coalition for DC as he is retiring next week. The members of the Coalition, led by Jill Hewitt, organised a collection for a gift of wine. In addition, a plaque with logos and comments from all members had been prepared. RS presented this to DC at the end of the meeting along with words of thanks for his sterling work with and for the Coalition. DC responded, thanking all for their very generous gift and for their support of him and the Coalition since its inception

The meeting ended at 1245