

Agri-Brexit Coalition Meeting

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

28 January 2019

Attendees

Robert Sheasby (Chair)	(AIC)
Ruth Bailey	(AEA)
Penny Maplestone	(BSPB)
Jeremy Moody	(CAAV)
Sarah Mukherjee	(CPA)
Sarah Nightingale	(Gafta – for Jaine Chisholm Caunt)
Stephen Howarth	(AEA)
Geoff Dodgson	(for AIC)
Alison Glennon	(NOAH – for Dawn Howard)

Guests

Robin Manning	(DEFRA)
Chris Kearney	(DEFRA)

Apologies

Jill Hewitt	(NAAC)
David Caffall	(AIC)

1. Introductions and Apologies

Robert welcomed everyone to the meeting, having taken the chair in David's absence. The group expressed their sympathy for David and sent him their best wishes. Members then introduced themselves for the benefit of the DEFRA staff, and Robert gave a brief introduction to the Coalition and its aims.

2. George Eustice \ visit to Teagle

Ruth gave an account of the meeting that some in the Coalition had attended in Cornwall with George Eustice. The company, Teagle, which hosted the event, employs 180 people and exports to 50 markets around the world. It was considered a very useful meeting, at which colleagues had explained the role of Agri-Brexit Coalition members, and how it can help with many of the challenges for agricultural policy going forward.

It was agreed that while the meeting had been very useful, further work was needed to ensure full engagement between the Coalition and government. Discussion and advice were important on broad issues as well as specifics going forward.

3. Future relationship with DEFRA and next steps

Robin Manning explained that he would be happy to establish liaison with the Coalition, and that he could be a conduit to the relevant departments for members. He thanked the group for its invitation and explained briefly how he has been involved in the setting up of various groups to discuss specific sectoral issues, including the Brexit Arable Group (attended by AIC, Gafta and CAAV) and the UK Livestock Group (attended by CAAV). He is in the process of setting up a livestock breeding group and also groups for fruit and vegetables and wine. He envisions these lines of communication will help during the discussions on the future economic partnership with the EU27.

While a general level of optimism was expressed about the possibility of an amended Withdrawal Agreement passing a Commons vote, Robin stated that considerable time and resources had been diverted since Sep/Oct to no deal planning. Members of the group stated that the costs of contingency planning for such a scenario in the private sector were huge, citing impacts on all resources, stocks and cashflow.

Robin explained that there are about 60 people in the food and farming directorate of DEFRA, split between York, Bristol and London. DEFRA has more than doubled in size in the last year, and while there have been problems associated with this rapid growth, the new staff are showing excellent skills, learning ability and enthusiasm.

Robin then explained HMG's work on establishing its schedule of market access commitments at the WTO. The UK's goods schedule had been lodged in July with 90 days allowed for comment. The three components of this schedule were:

- Bound tariffs (same as EU and expressed in euros)
- Apportionment of UK share of EU TRQs
- Level of AMS for UK (calculated as 6 billion euros per annum)

While the first and third components are not contentious, several WTO countries (USA, NZ, Australia and other agri-food exporters) have objected to the splitting of EU TRQs, therefore the UK government in December announced it would begin negotiations with those countries deemed to have negotiating rights under Article XXVIII of GATT. They were currently in the process of establishing which countries those were.

While bound tariffs were now published, the UK had not yet published its applied tariffs which would need to be in place for a no deal Brexit. In considering the appropriate levels, the government was taking into account three key factors:

- A desire not to see price spikes for the end consumer
- The need for a productive domestic base
- The need for negotiating capital in future FTA discussions

An announcement on applied tariff levels was likely to be made in February.

The government was keen to progress FTAs with other countries (though acknowledged discussions on rolling over the EU's 40 FTAs were moving slower than hoped) and will move forward on a future economic partnership with the EU; the UK's aims being based on the Chequers Agreement.

Individual members of the Coalition put forward their main concerns:

- AEA was concerned about the opportunity costs incurred in recent years, including missed investment opportunities.
- Gafta stated its main concern is to have the framework in place for trade to take place

- NOAH stated that Brexit posed a huge logistical challenge, with around 90% of vet meds coming from or through the EU. These logistical challenges were exacerbated by the prospects of no deal.
- CAAV commented on its concerns about the structural change ahead and the need for advice and managing people through the process, including adaptation of skills etc.
- BSPB had concerns around the drafting of new UK legislation, citing a difference in a recent SI to current EU legislation (whereas business had been led to understand UK legislation, from Day 1 would be copied from EU legislation). They were also concerned about UK resources. There would be new UK procedures for seed companies on top of the EU procedures, and while bona fide companies would negotiate the new systems, there would be opportunities for the development of a black market in this area. In particular, BSPB was concerned about the resources in place for phytosanitary certification of exports. While DEFRA had set up a business advisory service for imports, there was no similar structure in place for exports.

Robin agreed to take these concerns back to the relevant departments, and assured the group that he understood the huge implications of Brexit on supply chains within the agri-food sector.

A discussion then took place on the make up of the Agri-Brexit Coalition in order to make the most of DEFRA's involvement in future meetings. Robin had suggested that the International Meat Trade Association would be a good fit, and it was agreed the group would consider this further with a view to extending an invitation to IMTA if there were no objections. It was agreed that the group should try to meet once a month in London, with Robin's involvement where possible.

Action: David Caffall to meet IMTA before next meeting

4. Future Coalition action

It was agreed that future action should involve the sharing of intelligence and provision of advice to government, with a focus on using innovation in a practical sense. It was suggested that the group could look at new ways of phytosanitary certification for example, or the tracking of goods. This could be further developed through a workshop later in the year and it was agreed to put this proposal on the agenda for the next meeting.

It was also agreed to discuss a new (non-Brexit) name for the group, with the suggestion of "Agri-Supply Chain Coalition" being put forward.

The issue of logistics remained vital to the group, and it was agreed that concerns over roads to East coast ports, facilities at ports and storage facilities should be conveyed to Robin.

The availability of migrant labour should also remain an issue.

Sarah Mukherjee also commented on the risks to the UK of regulatory actions which could discourage investment and innovation in the country. Alison agreed, and commented that coordinated efforts in the animal health industry had helped to stop draconian and damaging legislation being introduced under the UK's AMR strategy.

5. MRLs/Import tolerances WTO Rules

Sarah Mukherjee reported that CPA had commissioned a report, written by Experion, that found a risk to the UK if it continues to follow the EU's hazard-based approach to PPPs. The UK would be an "easy target" for WTO member countries to challenge if it does not base its policies on science, which is a WTO requirement.

Robin requested to see the CPA report, which would also be sent to Coalition members.

Action: Sarah Mukherjee to circulate

6. Any other business

It was agreed to set meeting dates on a monthly basis for the rest of the year; a doodle poll would be sent out.

Action: Julia Corr to circulate

Ruth agreed to circulate some photos of the Eustice meeting in December.

Action: Ruth Bailey to circulate

The next meeting would take place at 1pm on 22 February in London, location yet to be confirmed.