Brexit Challenges for the Food and Drink Sector

Dr Courtney Scott

Research and Policy Advisor



Foodfoundation.org.uk Courtney.Scott@foodfoundation.org.ul

Food Safety and Quality

GM The Observer Is chlorinated chicken about to hit our shelves after new US trade deal?

Consumers could be exposed to American farming practices banned by the EU



Joanna Blythman

Sunday 29 January 2017 00.03 GMT



① To make them grow faster, US dairy cows are regularly implanted with hormones that are banned in the EU. Photograph: Tony C French/Getty Images

Advertisement

Import and Transport Delays

Warning over food import delays if no Brexit deal





The food industry fears it will be hit with the cost of a new inspection regime if Britain leaves the EU without a trade deal.

BUSINESS INSIDER

UK

UK retailers are worried Brexit could lead to empty shelves



OSCAR WILLIAMS-GRUT AUG. 30, 2017, 7:01 AM

- British Retail Consortium warns that "availability of affordable, quality products" could be disrupted by Brexit.
- Food and clothing imports could be disrupted even if government secures transition customers deal with the EU after March 2019.
- BRC wants the "agreements on security, transit, haulage, drivers, VAT and other checks" to avoid a crisis.

Labour Supply

Food & drink industry Opinion

They say after Brexit there'll be food rotting in the fields. It's already started John Harris

Farms in the UK rely on fruit and vegetable pickers from the European Union. But this summer they're staying away, and the harvest will be hit





Rising Food Prices

NewStatesman

THE STAGGERS 17 OCTOBER 2017

It's British working families who would pay for a "no deal" Brexit

Inflation is already rising, and failing to agree a trade deal with the EU could cost families another £500 a year.

Sign up to the Staggers Morning Call email

SUBMIT

By <u>Torsten Bell</u>

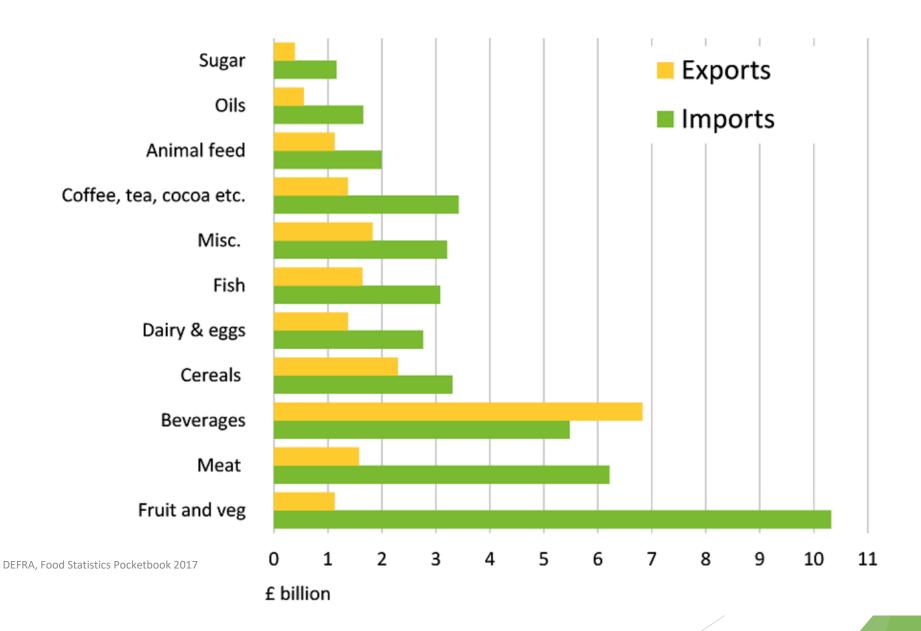
Big change means big uncertainty. Especially when that big change is happening to a major developed country in the 21st century. To complicate the task further, in the case of Brexit Britain while we know big change is coming, we don't know what form that big change will actually take.

Two perspectives on what might happen

- Glass half empty
 - No idea what is going to happen
 - Industry can't prepare
 - Potential for a huge shock in food prices
 - ► Inability to secure necessary labour

- Glass half full
 - Potential opportunity for British industry to develop trade with new markets
 - Opportunity to grow more produce for the UK market (to make up the import gap).

3.4 UK trade in different food groups, 2016



What does this mean for school meals and catering?

Key areas of impact

- Food supply
 - Cost
 - Safety/quality
 - Consistent availability
- Labour supply
 - Cost
 - Consistent availability
- Regulatory requirements
 - School meals standards
- Programmatic changes
 - School fruit & milk schemes

Regulatory Requirements

- Currently follow EU regulations on:
 - General food law (EC 178/2002)
 - Hygiene of foodstuffs (EC 852/2004)
 - Hygiene for food of animal origin (EC 853/2004)
 - Official controls on products of animal origin (EC 854/2004)
 - Official controls on feed and food (EC 882/2004)*
 - ► Microbiological criteria for foodstuffs (EC 2073/2005)
- Not clear yet what happens with these regulations
 - Could be adopted into UK law
 - Cherry-picked for which components to be adopted into UK law
 - Adapt portions of the EU law for incorporation into UK law

Hygiene of foodstuffs (EC 852/2004)

The new hygiene rules take particular account of the following principles:

- Primary responsibility for food safety borne by the food business operator
- Food safety ensured throughout the food chain, starting with primary production
- General implementation of procedures based on the Hazard Analysis and Critical Control Points principles (HACCP)
- Application of basic common hygiene requirements, possibly further specified for certain categories of food
- Registration or approval for certain food establishments
- Development of guides to good practice for hygiene or for the application of HACCP principles as a valuable instrument to aid food business operators at all levels of the food chain to comply with the new rules (see RELATED DOCUMENTS box)
- Flexibility provided for food produced in remote areas (high mountains, remote islands) and for traditional production and methods

Michael Gove

UK-US trade deal would not allow chlorinated chicken imports - Gove

Environment secretary responds to Liam Fox's remarks by saying UK would avoid deal requiring it to accept lower standards



• This article is 3 months old

< 458

Kevin Rawlinson

Wednesday 26 July 2017 09.21 BST



Michael Gove: 'We mustn't concentrate on this one issue when we look at the huge potential that a trade deal can bring.' Photograph: Steve Parsons/PA

News > UK > UK Politics

Brexit: Government employing up to 8,000 extra civil servants to cope with EU departure

Whitehall departments have taken on 3,000 more staff so far, with up to 5,000 more expected at HMRC

Joe Watts Political Editor | @JoeWatts_ | Tuesday 31 October 2017 18:57 GMT | \$\mathcal{D}\$ 54 comments

















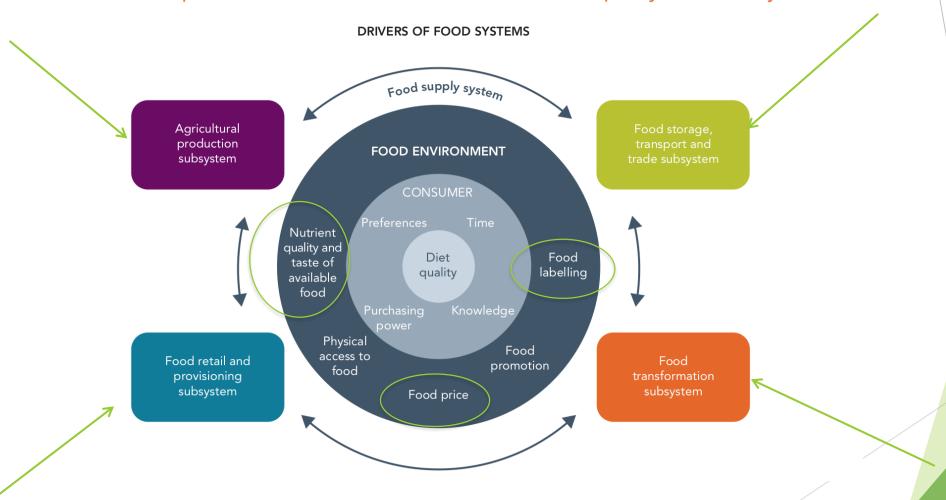
Programmatic Changes

- School meal regulations are UK-based and won't change as a result of Brexit
 - ▶ But there are clauses with in the UK statutes that are built up EC regulations
 - ▶ E.g. food additives definition and food hygiene provisions

- ► EU school fruit and milk scheme
 - ▶ These programmes will no longer be available for the UK, unclear if UK govt will continue them

What does this mean for health?

Conceptual framework for the links between diet quality and food systems



Increasing food costs

- Rising food prices might make healthy foods too expensive for people, particularly for those on lower incomes
- "If the UK reverts to most-favoured-nation (MFN) tariffs with the EU under a "no deal" Brexit scenario...tariffs on dairy products will rise by 45 per cent and by 37 per cent for meat products." (Resolution Foundation, Oct 2017)
 - For consumers this translates into an 8% price rise for diary and an almost 6% rise in meat products
- Food Foundation analysis on fruit and veg prices
 - ▶ Prices likely to rise on 18 of our most popular fruit and veg by 8-13% for part or all of the year
- What might happen to diets?
 - ► Eat less increasing food insecurity
 - ▶ Could mean more of a demand on school meals
 - Substitute less expensive but less healthy products

What can be done?

Steps to take now and things to prepare for

- Where possible, support British growers and producers
 - Switch to British grown produce when in season an emphasis on creating menus seasonally will help here
 - Creates more of a market for British grown, which overtime will help to offset price and availability shocks of Brexit
 - Establishing a system less reliant on prepared or imported food should hopefully help insulate from price/import shocks
- Prepare for uncertainty and changes in regulations
 - Build capacity. Establish/assign a role on monitoring and mitigating risks e.g. monitoring government developments – and preparing for changing regulations
 - Communicate frequently with each other and lessons learning
- Prepare for rising food prices
 - Difficult to do, but recommend building contingencies into budgets for rising food prices and rising demand on school meals

Thank You

Questions? Comments?

Dr Courtney Scott

<u>Courtney.Scott@foodfoundation.org.uk</u>

@food_foundation

@drcscott