

**Minutes of the AGM of the Cross Party Group on Food held on September 18<sup>th</sup>  
2019 in Committee Room 4 of the Scottish Parliament**

**Present**

Gail Ross	MSP (Chair)
Peter Chapman	MSP
Colin Smyth	MSP
Ian Wright	FDF
George Burgess	Scottish Government
Mary Lawton	CPG Secretariat
Bill Gray	NHS Health Scotland
Claire Hislop	NHS Health Scotland
Lesley Stanley	Consultant - Investigative Toxicology
Scott Erwin	Greencity Wholefoods
Julian Mercer	Rowett Institute/SEFARI
Julia Mitchell	Rowett Institute/SEFARI
Moyra Burns	NHS Lothian
Robbie Snowden	NHS Lothian
Jackie McCabe	REHIS
Christine Fraser	Food Training Scotland
Kevin Patrick	LANTRA
Keesje Avis	Nourish
Ceri Ritchie	SRUC
Julian Bell	SRUC
Caroline de Rouffignac	Scotland Food and Drink
Iain Clunie	ZWS
Steve Brown	Edinburgh Food Social
Ann Packard	Royal Society Arts
Andy McGowan	SAMW
Billy Stewart	SAMW
John McMaster	SAMW
David Thomson	FDF Scotland
Cat Hay	FDF Scotland
Christina Sabbagh	Obesity Action Scotland
Alistair Williams	Macsween of Edinburgh
Ian Muirhead	AIC Scotland*
Charlotte Maltin	Biomics Ltd
Peter Maltin	Biomics Ltd*
Uel Morton	Non-Exec Director
John Armour	NFUS
Diana Garduno Jimenez	Scottish Food Coalition
Kirk Hunter	Dairy UK
Julie Edgar	Scot Salmon Producers Organisation
Sue Whittle	CIWF
Laura Nisbet	Edinburgh Council
Laura Wyness	Association for Nutrition
Ewan Macdonald-Russell	Scottish Retail Consortium
Lesley Curtis	Edible Edinburgh*
Rachel Mirfattahi	Interface

To meet requirements of CPGs organizational non-members (as submitted on re-registration) are denoted by an asterisk.

Gail Ross MSP welcomed everyone to the meeting. She said she was chairing in place of John Scott MSP and sent best wishes from the whole Group to him for his recovery.

#### 1. Apologies for Absence

These had been received from John Scott, Wendy Wrieden, Liz Barron-Majerik, Jim Fox, Stan Blackley, Martin Morgan, Gordon King, Wendy Barrie, Bosse Dahlgren, Holly Gabriel, Fran Throw, Daniel Barrie, Sara Smith, John Whitehead, Lynne Stevenson, Stan Blackley, Martin Meteyard, Anna Brand, Alistair Trail, Graeme Findlay, Rhoda Grant, Anna Gryka-MacPhail, Lorna Dawson, Chris Peace, Ruth Watson, Ray Lorimer and Brenda Black.

#### 2. Minutes of the Last Meeting

These were proposed by David Thomson, seconded by Christine Fraser and agreed.

#### 3. Matters Arising

- i. A reply to our letter to the Minister on older people and food following our joint meeting was still awaited.
- ii. A reply to the query with COSLA on procurement was still awaited.
- iii. The consultation responses and analysis on Good Food Nation (GFN) had been [published](#). GFN also appeared on the [Scottish Work Programme 2019-20](#) with a commitment to lay before Parliament a Good Food Nation Bill.
- iv. Scottish Food Fortnight had been discussed in [Parliament on September 11<sup>th</sup>](#).

#### 4. Election of Officers

Colin Smyth MSP chaired this part of the meeting. The following were proposed by Peter Chapman MSP and seconded by Ann Packard and duly elected:

##### Co-Conveners

John Scott (Conservative)  
Mark Ruskell (Green)  
Rhoda Grant (Labour)  
Gail Ross (SNP)

##### Secretariat

Mary Lawton FDF Scotland

The Group thanked Mary Lawton for her work.

#### 5. Six Weeks to Brexit?

**George Burgess Deputy Director, Food and Drink, Scottish Government (GB)** said that it was the 10<sup>th</sup> anniversary of the Scotland Food and Drink Fortnight and

paid tribute to all those that played their part. Events highlighted in particular the outstanding natural larder, clean environment, unparalleled reputation and excellent people.

The sector continued to be a great success story with a record turnover (£14.8 bn), record exports (£6.3 bn) and record sales across the UK (up 33% since 2007).

Scottish Government (SG) wanted to ensure environment right for the sector to continue to flourish and the recent Programme for Government included:

- Creation of Food and Drink Academy to support businesses with high growth potential
- Development of new e-commerce platform so companies can showcase and sell products in international markets
- New Food and Drink Environment Plan and convening an environmental summit to identify priorities for action
- Exploring options to maximise potential for the Scottish brand
- Introducing a Good Food Nation Bill to Parliament
- Working with business, the public and third sector to develop guidance so more people are encouraged to eat more local, sustainable and healthy food to support climate change aims.

At the AGM last year he had mentioned the uncertainties on the shape of our future relationship with the EU and the frustration this was causing across the food and drink sector. Unfortunately this had got worse.

**GB** emphasised the critical importance of our relationship with Europe:

- 68% of Scottish food exports are to EU
- 30% of food eaten in UK comes from EU
- Scottish food and drink exports are about 4 times more important to our economy than for UK as a whole
- Scottish fresh, chilled and perishable products attract a premium for quality and freshness but could be delayed and spoiled at extended customs checks
- Up to 10,000 non-UK EU nationals are employed in the food and drink growth sector particularly in processing.

Regarding imports, the Yellowhammer assumptions had been made public. **GB** said it was clear that a “reasonable” worst case scenario would see a significant extended period of delay at Channel ports where most fresh food comes in and out. SG work (and industry backed this up), assumed that there will be food on shelves but limited choice and there was concern about equity issues although retailers have said they plan to distribute on an equitable basis.

In March this year the UK published proposals for tariffs. The plan was to abolish tariffs for a lot of commodities but for sensitive agri-food products to maintain some tariffs and have quotas. The aim was for “price neutral” and support quota use to maintain producer and consumer prices. This would be very difficult to achieve and some sectors such as National Farmers Union Scotland and the British Egg Industry Council did not think the proposed system was right and were calling for a review. So there was still uncertainty.

On exports there were a whole range of issues. The UK needed to be recognised as a third country for Products Of Animal Origin (POAO) and discussions were on-going. Even then there would still need to be significantly more paperwork, it was estimated there would need to be 150,000 Export Health Certificates (EHCs) for export to the EU when before there were none. **GB** said that SG was trying to create some sort of workable system especially for seafood and salmon. SG was also asking the UK Government why certificates were needed if the UK and EU regulations were aligned.

Following on from certificates there were also issues with getting the product to market and for seafood this was critical where hours could make a difference. **GB** was meeting representatives from the fish industry from Boulogne after the CPG who had indicated they still wanted our product but only if fresh.

The UK Government was worried about trader readiness and **GB** said it was vital that the well-prepared were not jeopardised when held up by queues of trucks with wrong paperwork.

**GB** thought the outlook for some sectors was bleak. For sheep there was an EU tariff of 40% on meat and the withdrawal date of October 31<sup>st</sup> was peak exporting season. The domestic price would fall to gain competitiveness and there needed to be an adequate compensation system for producers.

**GB** did not want to end on doom and gloom and noted that industry was not sitting back. In less than a fortnight there was “Showcasing Scotland” where 150 suppliers and 150 buyers, mainly from overseas were having “speed dates” at Gleneagles. The last one had led to £50 million of new business.

**Ian Wright CBE, CEO Food and Drink Federation (IW)** then took the floor. He said it was to his concern and regret that a year from when he last spoke to the Group, a lot had changed and the direction of travel was more precipitous. **IW** said he sat on the Government’s Emergency Planning Committee that had met every week for the last 2 years. Originally he had confidence in the way things were moving and the power of civil servants to bring solutions. However, as the deadline approached there seemed to be more and more practical questions thrown up. These included such issues for UK as a third country as:

- Wooden pallets moving between the UK and the EU will be required to meet ISPM 15 by undergoing heat treatment and marking and be subject to official checks either upon or after entry to the EU. This included from NI to ROI. There were few of these pallets in the UK.
- EU regulations do not permit chilled and unprocessed minced meat goods from third countries. These products would need to be deep frozen (-18C) to be authorised for import into the EU. This would affect mince, fresh chilled sausages, burgers etc. that contain beef, pork, lamb or goat.
- At present there is no EU/UK as a third country equivalence agreement in place for exporting vegetables.

**IW** said every week new problems were thrown up of varying complexity and with the date of withdrawal fast approaching there was so much that we didn't know and therefore couldn't prepare for.

**IW** warned that all responsible companies needed to assume a leave date of 31.10.19 and be ready for that. If the Benn legislation was enacted, this still meant a leaving date of 31.1.20. FDF was talking to all partners in the food chain including packaging manufacturers (70% of packaging is for food) and warehouses/transporters (45% for food) to try and minimize problems.

For the last 40 years there had been an integrated food system operating on a just-in-time system where there was a lot of selling space but little stock. This would now change and **IW** said the current big concerns were;

- Frictionless movement impacted by border issues and delays, with the suggestion being that less than half of lorries will have correct documentation at Dover/Calais and less at other ports where it could be 20%.
- In the last 3 weeks regulation had become more of a problem. Under Theresa May there had been a plan for regulatory equivalence, this had now been jettisoned and convergence not a "red line". There was hope there may be a food, drink and agriculture opt out. It was not acceptable to expect food and drink businesses to have two lots of products, one for EU and one for UK with different labels, ingredients etc.
- For access to labour, Priti Patel had said that free movement would end but there had been the prorogation so this had not happened
- There were concerns over equity that Fareshare and Sustain shared. The unpredictability of the supply system could disproportionately affect those on low income and those living in remote places. Decisions would have to be made regarding distribution and if supplies dwindled then some convenience stores may not get their full quotas. There were issues also for those who did not shop for themselves such as care homes and food banks. Food donation would also decrease and those organizations getting food in a non-commercial way may find this stream dry up.

**IW** thought that as the deadline approached, the Government's "Brexit Ready" campaign would escalate with the final message being that they were ready and could well imply that business was not in a blame game. We should prepare for this being part of the debate. He welcomed that food was part of a national security discussion.

### **Open Debate**

**Peter Chapman MSP (PC)** thought that the presentations had focussed on No Deal when in fact he thought there would be a Deal with an implementation period when the same regulations would apply. His view was that No Deal was only on the table to help the negotiating position. **IW** agreed that he had concentrated on No Deal but industry had no idea what a Deal (if agreed) would look like. Government had not

extended the transition period and for it to be useful to businesses, they must know the shape of the deal and the future UK-EU relationship. Even with a promised end point, 21 months would have been incredibly challenging for many businesses. A 14 month transition period fell far short of what was required to ensure the UK's food and drink supply chain will be ready. **IW** said it imperative that any Deal agreed preserved frictionless trade, regulatory alignment and free movement of workers. **GB** said he hoped **PC** was correct and that a Deal would be made but all current SG work with DEFRA was on No Deal.

**Colin Smyth MSP** agreed it was very difficult for businesses including farmers to prepare for No Deal/Deal. He was concerned about the effect in particular on sheep farmers and asked what advice was there for his constituents. **GB** said trade bodies gave advice but it was difficult to prepare for an unknown Deal and there would be an implementation period. **IW** said FDF had weekly updates and also referred to their [20 Essential Actions Businesses Should take](#) that had been sent out with the Agenda. **IW** noted the costs to businesses of stockpiling ingredients here or product where they sell and the added costs. If there were absorbed by the labour force this meant wages going down, by shoppers then food prices going up and by investors then lower returns. He thought the UK Government needed an imaginative response to how these costs were borne such as tax credits, tax reliefs or a fund to lifeboat finance to businesses. He noted that the Scottish and Welsh Governments had made some funding available.

**IW** stressed that businesses need to shout now about the need to have a longer transition period. What the tariff regime would be like after was not clear and there was no chance of a free trade deal in that time. We all needed to know the next stage.

**Ewan Macdonald-Russell, Scottish Retail Consortium (EM)** agreed with the comments regarding tariffs, No Deal and implementation period. For No Deal, fresh food availability such as berries and tomatoes would decrease, consumer choice would decrease, and prices rise. Durability, quality and supply could not be promised. A No Deal Brexit in November represented the worst possible timing for the retail industry. Warehousing availability would be limited due to Christmas preparations, many fresh fruit and vegetables would be out of season in the UK and imports hampered by disruption at Dover that could reduce flow by up to 60% for up to three months. **EM** reminded people of the problems the "Beast from the East" had caused. This would be much worse and with so many unknowns. SRC members would work hard to try to maintain fair and good supplies and not affect customer satisfaction. **EM** asked how to explain to customers the challenge of supply but not start panic buying. What was the balance between truth, blame and not scaring people? **GB** said they had DEFRA research on communications and consumer behaviour. The worst thing to say was "Don't panic buy!" **IW** agreed with this and also noted the role of social media in whipping up panic. He thought it was important industry maintained a proportionate and sober response.

**PC** said that SRC had mentioned a shortage of tomatoes. He thought that if exporters in Spain wanted to sell their tomatoes and the UK to buy, then a deal would be done. **IW** said that previous experience from Beast from the East had shown that food was air freighted but this was expensive and only for 1-2 days and that if Spanish growers thought there was a danger their produce would not get

through or they would not be paid then they would find other markets. **IW** also noted that in times of supply shortages there could be harassment of shop staff.

**Julian Bell SAC** asked IW what he thought was the likelihood of a No Deal on October 31<sup>st</sup>. **IW** said that the decision of the Supreme Court was pivotal and could be contradictory. If the PM was instructed to negate the proroguing of then there would be pressure to recall Parliament. The PM had made it clear he did not want a constant commentary on a Deal negotiation. Parliament may make that impossible meaning that the PM realises he cannot get a Deal by October 31<sup>st</sup> or alternatively there was a vote of no confidence. This could lead to a national government. The frustration was not knowing and the need to prepare for a No Deal.

**Lesley Stanley Consultant- Investigative Toxicology** said that regarding the regulatory landscape, work on innovation and novel foods and processes was coming back from the European Food Safety Authority to FSA where the Committees were still in place but risk assessment may take longer and therefore there could be a slower route to market.

**Ann Packard RSA** thought we would see a cultural shift away for everything being available every day and a balance would emerge based on seasonality etc. **IW** agreed and said that environmental issues such as packaging and food miles needed to be considered and where product was manufactured or bottled/packageged.

**John Armour NFUS** asked what the speakers thought about the UK Government stopping officials attending European meetings. **GB** said they had spoken to DEFRA and officials were going to important meetings such as those phyto-sanitary trade and geographical indicators. **IW** said that they had asked DEFRA to attend certain meetings such as mycotoxins and they had done so. The concern was though that if there was a prolonged departure, decisions would be made without UK officials and this could have an impact.

#### 6. CPG Annual Return

Mary Lawton said that in accordance with rules an Annual Return would be sent to the Parliamentary CPG Secretariat after the meeting.

#### 7. AOB

There was no AOB.

#### 8. Dates of 2020 meetings

- Tuesday 28 January                      Committee Room 4
- Wednesday 1 April                        Committee Room 5
- Wednesday 10 June                       Committee Room 4
- Wednesday 23 September               Committee Room 3

These are all at 6pm.