

Department for Environment, Food and Rural Affairs

Food and Drink Sector Council

Summary of Meeting

Wednesday 24 May 2023

Co-Chairs:

Industry Co-Chair

Tim J Smith CBE

Government Co-Chair

The Rt Hon Mark Spencer MP, Minister of State (Minister for Food, Farming and Fisheries), Department for Environment, Food and Rural Affairs (until 11.00am)

Secretary of State for Environment, Food and Rural Affairs, Thérèse Coffey

Food and Drink Sector Council Members:

Ash Amirahmadi	Arla Foods, Group Vice President, UK Managing Director (until 11.00am)
Anne Anderson	Head of Sustainability and Development, Scottish Sea Farms
Karen Betts	Chief Executive, Food and Drink Federation
James Bielby	Chief Executive, Federation of Wholesale Distributors
Sarah Bradbury	Group Executive Officer, IGD
Tom Bradshaw	Deputy President, National Farmers Union. Deputising for Minette Batters, President, National Farmers Union
Sue Davies	Head of Consumer Rights and Food Policy, WHICH?
John Farrand	Managing Director, Guild of Fine Food and Defra SME Forum
Chris Jewitt	Food and Drink North East
Robin Mills	Managing Director UK&I, Compass Group
Nigel Murray	Managing Director, Booths
Kate Nicholls	Chief Executive, UKHospitality
Andrew Opie	Director of Food and Sustainability, British Retail Consortium
Matthew Price	General Manager, Uber Eats UK&I
Jason Richards	Senior Vice President and General Manager UK&I, Pepsico
Andy Richardson	Chair of the Food and Drink Wales Industry Board

James Russell	Managing Director, AF Blakemore and Son
Nicholas Saphir	Chair, Agriculture and Horticulture Development Board
Kate Stein	Director of Technical, Sainsbury's
Nick Whelan	Group Chief Executive, Dale Farm Ltd

Apologies:

Minette Batters	President, National Farmers Union (Tom Bradshaw deputising)
Joe Clarke	UNITE, National Officer
Beth Hart	Vice President, Supply Chain and Brand Trust (UK&I), McDonalds
Andrew Knowles	Chief Executive Officer, Fram Farmers Ltd
Claire Lorains	Group Quality Director, Tesco
Robin Mills	Managing Director UK&I, Compass Group
Richard Watson	Chief Executive Officer UK&I, Nestlé

Welcome and Opening Remarks from Industry and Government Co-Chairs:

Tim J Smith CBE opened the meeting and welcomed members.

Tim welcomed the eight new members to the Council: Ash Amirahmadi, Anne Anderson, Sue Davies, Nigel Murray, Claire Lorains, Jason Richards, Kate Stein and Richard Watson. Tim highlighted that more appointments would follow to add voices on finance and public sector food.

Tim then thanked in their absence three members who had reached the end of their terms on the Council: George Weston for his personal support at the outset and ABF's support to the Council's Workforce and Skills Group; Lord Deben for his expertise on climate change; and Cassandra Stavrou for bringing the views of SMEs.

Tim highlighted that this meeting would welcome both Minister Spencer and the Secretary of State. Minister Spencer would attend until 11.00am. The Secretary of State would join from 11.45am. The focus of the agenda was sustainability, with updates from Defra and DHSC on the Food Data Transparency Partnership and discussion of the scope of the new sub-committee on sustainability, with Minister Spencer. Discussion with the Secretary of State would focus on reflections and next steps on the government's Farm to Fork Summit held on 16th May.

Tim highlighted that pieces of the puzzle were starting to fall into place in establishing the Council's sub-committees at pace and to get the work done. With the exception of sustainability, the Council had held off establishing these thus far,

pending the Independent Review into Labour Shortages in the Food Supply Chain, the appointments process for new members, and the prospect of the Council's remit and scope developing after the Farm to Fork summit at No 10. The sub-committees, as the engine rooms of delivery, would be the real test for the Council. New members would bring insight, energy and also access to some resources which were unlikely to be found in government or many trade bodies

Tim then highlighted that each sub-committee needed to have an overall vision and clear set of objectives. These needed generally to follow the SMART criteria (Specific, Measurable, Achievable, Realistic and Timely) with one, three and five year horizons. Each sub-committee should then produce a roadmap, to a standard set by the Council, showing milestones, resources required, and delivery mechanism. All this needed to be transparent and in a form which could be published. The sustainability sub-committee was an obvious example where industry knew it needed to take action as well as support government policy. The Council would be measured on actions and outcomes, not plans and agreements to work together.

Finally, Tim informed members that a note of the meeting would be published on gov.uk with the detail of discussion under the Chatham House rule and comments not attributed. He then handed over to Minister Spencer.

Minister Spencer thanked Tim for his leadership of the Council, thanked those members who had retired from the Council, and welcomed new members. Minister Spencer particularly looked forward to the discussion on the Food Data Transparency Partnership and sustainability. He invited members to bring their energy and enthusiasm to the Council, as the sector faced big challenges. He reflected that the Council was the ideal forum for industry and government to solve problems together – rather than each working separately – and share challenges and ambitions.

Food Data Transparency Partnership:

Tim introduced Karen Lepper, Deputy Director of Food Data, Standards and Sustainability at Defra, and Natasha Burgon, Director of Diet, Obesity and Healthy Behaviours at the Office for Health Improvement and Disparities in the Department of Health and Social Care (DHSC), who would update the Council on the Food Data Transparency Partnership. Tim suggested industry co-chairs of Partnership groups be encouraged to join for these agenda items in future.

Karen set out that Defra's focus was on environmental sustainability, with the animal welfare workstream now paused. The priority of the eco workstream was to develop a standardised methodology to ensure consistent, fair and accurate reporting on scope 3 greenhouse gas emissions. This work included analysis of global reporting

mechanisms and methodologies. Karen confirmed that no new legislative reporting requirements were planned. The workstream would feed into the Council's sustainability sub-committee so that the Council and workstream were joined up.

Natasha set out that DHSC would shortly establish a Health Working Group involving experts from across the food system. Natasha noted the Council's uncertainty about the purpose of this work (expressed at the 8th February meeting) and feedback about burdens. Natasha explained that the health workstream aims are not about government getting more data or setting targets for businesses. The Health Working Group will agree metrics for voluntary reporting on the healthiness of sales. These metrics will incentivise and effectively measure progress towards improving the healthiness of food. The Health Working Group will look to the Council for strategic advice and feedback.

Members said they were happy to be involved in the Partnership.

Members expressed concern about use of data and potential for competitors to use industry's own data to compete for its markets; the potential for voluntary health reporting to become in effect mandatory, especially for well-known brands; and the impacts of metrics reporting up and down the supply chain and on SMEs, this latter especially on foods which were not pre-packed

Members suggested that the Agriculture and Horticulture Development Board (AHDB) be included in the membership of the eco workstream and asked how consumers and end user groups were involved within governance structures. Members asked for coordination from government on its work on sustainability, both across government and with other sector councils, to avoid duplication or unintentional contradiction; and with trade bodies who had access to feedback via their members. Members sought clarity on the rationale for any data requests given the volume of data which industry has already provided. Members reflected that the governments of Scotland, Wales and Northern Ireland were also prioritising data and sustainability – it was one of the top five priorities of the Food and Drink Wales Industry Board, for example.

Acknowledging the comments of members, Tim highlighted that sustainability overlapped with the Retail and Hospitality Sector Councils; and the importance of working across the UK where possible, given that the business of industry did not stop at borders. Natasha confirmed that the focus of the health workstream was following a voluntary approach to developing health metrics, that this would be for large companies not SMEs, and would include consumer and end-user groups in the work.

Minister Spencer left the meeting.

The Food Data Transparency Team left the meeting.

Item 3 – Sustainability / Net Zero Sub-Committee

Tim introduced this item. He reflected that at the last Council meeting on 8th February, the Council had made a key decision to concentrate on scope 3 emissions, and the ability to consistently measure and communicate them and to bring industry and Government together to support, enable and incentivise reductions throughout the supply chain fairly. Tim highlighted that scope 3 posed the most intractable challenge for the whole sector, and that was as true across the globe as for here.

Tim highlighted that Council leadership in this sphere provided clear benefits, financially, ethically and for trade; and the opportunity to set high standards - rooted in food and farming best practice - and to harness the data and knowledge of the sector. Holding industry and others to those standards would also increase resilience and food security.

Tim highlighted that standards and an accurate baseline were currently up for debate and resolution. The sector rather than financial regulators should set them and ensure they are rooted in food and farming best practice, and then develop a plan that could be delivered. Tim reflected on work done by the Consumer Goods Forum and the need to think more innovatively, but their tried and tested Target, Measure, Act approach might be useful.

Tim highlighted that if the Council was to bring industry and government together to collaborate on strategic issues, the sub-committee should look beyond what government was doing to what else industry can do to reduce emissions through the supply chain. Using the example of protein production, this question was not one of pushing the problem down to farm level and relying on, for example, feed composition standards. It was about sharing the burden at company level, with businesses and trade bodies having the best access to data, evidence and possible solutions. Tim invited members to provide further volunteers to help resource this work.

Tim invited Bal Dhoot, Director of Sustainability at the Food and Drink Federation, and Tom Bradshaw, Deputy President of the National Farmers Union, to present the outcomes of the workshop they chaired to scope the work of the Council's sustainability sub-committee on 9th May. This workshop had brought together Council members and their teams with government officials to scope out where the Council could add value and create a system level approach to scope 3 emissions. Bal and Tom explained that the purpose of the workshop was to see where the Council could add value without duplicating work already in progress, including that of the Food Data Transparency Partnership. The workshop had focussed initially on

a 1 year horizon on the basis that objectives needed to be deliverable within the resources available. The workshop recommended that the sub-committee act as commercial 'critical friend' to the Food Data Transparency Partnership, particularly on standardisation of data and reporting methodologies; facilitate the link to the Council; and assess the policy landscape and supply chain practices to identify blockers and enablers, with a report after 1 year.

Members observed that the sustainability landscape was busy and therefore any role for the Council needed to be clear and resourced and avoid duplication. Members agreed the membership of the sub-committee should be broadened to look again at what more industry could do to reduce scope 3 emissions through the supply chain, and to provide technical expertise to support the Council's strategic perspective.

Members observed there was opportunity for the Council to provide leadership and to create culture change – for example on collective responsibility, fairness and recognition of the benefits - to improve sustainability through the supply chain. To do so it would need to develop a clearer sense of ambition, harness the resources and skills of businesses and the coordination of trade bodies, and tap into others connected to the supply chain (for example the financial sector).

Members emphasised that information and work on sustainability should be about supporting businesses to improve and not about penalising companies who do not meet green credentials.

In closing, Tim re-emphasised the opportunity for the Council to provide leadership on sustainability and reducing emissions through the supply chain and the need for business members to bring resources to help deliver the Council's work.

Item 4 - Food and Drink Sector Council Sub-Committee Updates

Tim introduced this item to update the Council on the sub-committees on the future of food, food supply resilience including climate adaptation, and workforce, which were at different stages of development.

Tim highlighted that the future of food work was an industry-only discussion to revisit the National Food Strategy Independent Review – not to re-open its recommendations but to dig into the data and analysis that underpinned it and take a sector perspective on whether there are other areas for the Council to consider. For example, could more be done on public sector procurement to support healthy affordable food for all; how to create the right environment for investment; or governance of the food system. Tim invited members to volunteer.

Tim then invited Tessa Jones, Director of Defra's Agri Food Chain Directorate, to update the Council on the timing of the Independent Review into Labour Shortages in the Food Supply Chain, which would be considered by the Council's sub-committee on workforce. Tessa explained that the Review would be published before recess, and the government would then respond. She emphasised that Council views would be important, and that the Council could have a role in leading on industry actions arising from final recommendations and linking in with the Retail and Hospitality Sector Councils.

Tim then updated the Council that a scoping workshop on the food supply resilience work would be held over the summer, timed so as to be able to take account of Farm to Fork summit outcomes. He encouraged members to get involved.

On workforce, members highlighted that the Independent Review would be important to industry confidence to attract labour but there was a need to take action at pace, as the world had moved on since the data was gathered and businesses were dealing with impacts now. Members reflected on the role of short term migration in addressing labour needs and longer term approaches such as engaging with the skills system in a way that is accessible and visible across the whole supply chain including to SMEs, and strengthening the link to the food people eat through education. Members proposed to set out thinking on actions needed in advance of the publication of the Independent Review and subsequent government response.

Farm to Fork Summit

Tim introduced this item and highlighted the value of the summit in bringing the sector and government together. Tim highlighted that he had been looking for clear signals of proposed work for the Council to engage and deliver on and had outlined the Council's current priorities. Tim highlighted standout contributions on issues ranging from stimulating innovation (by looking overseas) and investment; streamlining regulation; access to labour and markets; the skills landscape and apprenticeship levy. He then invited the Secretary of State to reflect on the summit and on working with the Council to deliver actions.

The Secretary of State highlighted that a more in-depth discussion of where summit and Council objectives align and where actions could be taken forward through the Council would be possible when the outcomes were summarised and shared. In the meantime, she reflected on the announcements made at the summit and the positive support this demonstrated for the food industry, such as the extension of horticulture support. She also noted that the summit had usefully highlighted existing government commitments which not all attendees had been aware of, such as to broadly maintain the current level of food produced domestically. The Secretary of State then invited reflections from those who attended the summit and also those who did not.

Members welcomed the summit as a significant moment to recognise the strategic importance of the food supply chain as part of critical national infrastructure. Members asked for the summit to be held annually, with a more holistic focus on the whole supply chain and a focus on “fork” as well as “farm”. Members emphasised they wanted the Council to play a role in bringing the summit outcomes to life.

Members raised concerns about support for consumers on food inflation. Members also raised concerns about the impacts of energy contracts locked-in at high prices on confidence in high energy agriculture sectors such as broilers.

Members highlighted the need for trade to be two ways, with growth in exports needed to counterbalance increasing imports.

Members sought longer term stability on the Seasonal Agricultural Workers Scheme. They also highlighted ethical issues in protecting workers potentially vulnerable to new recruitment processes under pressure to fulfil UK labour requirements from new global regions.

The Secretary of State reflected that the summit had been intended to discuss trade and food resilience rather than food prices. The government was holding separate conversations both on energy and with industry on addressing food inflation given that there was no prospect of food price deflation.

Tim thanked the Secretary of State for her role in the summit and emphasised that it had been well received by industry.

The Secretary of State left the meeting.

Updates from Governments of Scotland and Wales

Tim J Smith CBE introduced this item and invited Alice Biggins and Claudia Guy to update the Council on behalf of the Scottish and Welsh governments. The Northern Ireland government had sent apologies and a written update in advance.

Alice welcomed Anne Anderson, the new Council member to represent business in Scotland. She then updated the Council on Scotland’s new deal for business, food security and Deposit Return Scheme.

The new deal for business was the new First Minister’s approach to engage directly with business leaders on the economy and environment. It would be looking at regulation, non-domestic rates, business contribution to the well-being economy, and data. Scotland’s food security unit was also now operational and would be taking forward task force recommendations on resilience and ability to react to shocks. Finally, Scotland remained committed to the Deposit Return Scheme but had delayed the launch to 1st March 2024 due to uncertainty on the position of the UK

government. The Scottish Government recognised business concern and was looking at new measures to simplify the scheme. In addition, Alice highlighted the Scottish Food and Drink Partnership as a successful approach to joint industry/government working.

Claudia then updated the Council on work in Wales on the green agenda, decarbonisation, skills and workforce and current challenges faced by businesses. Food and drink manufacturing businesses were being supported to understand what was needed on sustainability and where and how to decarbonise via a number of training courses delivered free of charge to businesses. An online self-assessment tool on sustainability had also been made available to businesses to help them identify their areas of strengths and areas for improvement. On skills and workforce, the infrastructure was in place to upskill and reskill. The challenge remained securing sufficient workforce to fill the vacancies in the first place. Claudia then reported that some businesses had started failing, due to a number of factors, but that by the time the Welsh Government was notified it was too late.

Tim thanked Alice and Claudia for their updates and then drew the meeting to a close.

Close

Tim thanked members for attending and confirmed the next meeting would be on 13th September. Members would be updated on work under the Council's resilience and, if possible, workforce priorities. He highlighted that there was a lot of work to do before the next meeting. Members would be updated along the way and asked to provide resources. Tim then closed the meeting.

Presenters

Tom Bradshaw	Deputy President, National Farmers Union <u>Presenting</u>
Bal Dhoot	Food and Drink Federation, Director of Sustainability, <u>Presenting</u>
Tessa Jones	Defra, Director, Agri Food Chain Directorate
David Kennedy	Defra, Director General, Food, Biosecurity and Trade
Karen Lepper	Defra, Deputy Director, Food Data, Standards and Sustainability, <u>Presenting</u>
Natasha Burgon,	Director, Diet, Obesity and Healthy Behaviours, Office for Health Improvement and Disparities, DHSC, <u>Presenting</u>
Rebecca Lawrence	Head of Food Industry Partnership, Diet, Obesity and Healthy Behaviours Directorate, Office for Health Improvement and Disparities, DHSC, <u>Presenting</u>

Observers from Industry

Phil Hambling	National Farmers Union
Lyndsey Cambridge	Federation of Wholesale Distributors
Jim Cathcart	UKHospitality
Angela Christison	Agriculture and Horticulture Development Board
Lewis van Diggele	Nestlé
Gordon Duncan	PepsiCo
Lindsay Farrar	Guild of Fine Food
Amy Fry	National Farmers Union
Michael Hawes	McDonalds
Lucy Hunt	Compass
Caroline Keohane	Food and Drink Federation
Guy Robinson	Tesco

Observers from Government

Charlotte Baker	Defra, Director, Agri Food Chain Directorate
Lauryn Maine	Defra, Private Secretary to Secretary of State
Aaron Milton	Defra - Private Secretary to Minister of State for Food (until 11.30am)
Tessa Jones	Defra, Director – Agri Food Chain Directorate
Paul Edmunton	Defra, Food and Drink Quality and Partnerships
Ian Lonsdale	Defra, Deputy Director, Agri-Food Evidence and Analysis

Charlotte Linacre	Defra, External Communications
Lindsay Roome	Defra, Head of Food Data Transparency Partnership
Paul Edmunton	Defra, FDSC Secretariat
Clare Whittaker	Defra, FDSC Secretariat
Helen Matthews	Defra, FDSC Secretariat
Alex Howell	Defra, FDSC Secretariat

Other Government Departments

Karen Morgan	Department for Business and Trade, Deputy Director, Agriculture, Food and Drink
Dan Altman	Department for Energy Security and Net Zero, Net Zero Business Engagement
David Revell	Department for Business and Trade, Business Sectors
Lisa Mabbs	Department for Health and Social Care, Obesity and Healthy Behaviours, Office for Health Improvement and Disparities
Susan Jebb	Chair, Food Standards Agency
Julie Pierce	Food Standards Agency
Thomas Houghton	Home Office, Migration and Borders

Government – Devolved Administrations

Alice Biggins	Scottish Government – Deputy Director, Food & Drink
Claudia Guy	Welsh Government