

Department for Environment, Food and Rural Affairs

Food and Drink Sector Council

## Summary of Meeting, Monday 7 February 2022

### Co-Chairs

#### Joint Interim Industry Co-Chairs:

Ian Wright                      Previous Chief Executive, Food and Drink Federation

Terry Jones                      Director General, National Farmers' Union

#### Government Co-Chair

David Kennedy                      Director General, Food, Farming and Biosecurity, Defra

### Ministers

The Rt Hon Victoria Prentis MP, Minister of State, Department for Environment, Food and Rural Affairs (for Introductions, Opening Remarks and Discussion of Forthcoming Government Food Strategy until 4.30pm)

### FDSC Members:

Stefano Agostini                      Chief Executive Officer, Nestlé UK and Ireland

Judith Batchelar                      Previous Director of Sainsbury's Brand, Sainsbury's

Minette Batters                      President, National Farmers' Union

Karen Betts                      Chief Executive, Food and Drink Federation

James Bielby                      Chief Executive, Federation of Wholesale Distributors

Andrew Clappen                      Group Corporate Services Director, Morrisons

Joe Clarke                      UNITE, National Officer

Gavin Darby                      Previous CEO Premier Foods

John Farrand                      Guild of Fine Foods

Graham Hutcheon                      Previous Group Operations Director, The Edrington Group

Kate Nicholls                      Chief Executive, UKHospitality

Andrew Opie	Director of Food and Sustainability, British Retail Consortium
Nicholas Saphir	Chair, Agriculture and Horticulture Development Board
Andy Richardson	Head of Corporate Affairs, Volac
Nick Whelan	Group Chief Executive, Dale Farm Ltd

## **Apologies**

Lord Deben	Chairman, Sancroft
George Weston	CEO AB Foods
Cassandra Stavrou	Founder, Propercorn

## **Introduction:**

Ian Wright welcomed attendees, noted that Terry Jones would be joining from 3.50pm and invited David Kennedy to make opening remarks. David Kennedy highlighted that the design and implementation of the forthcoming Government Food Strategy presented an opportunity for the FDSC. He highlighted that he would welcome views on industry priorities, risks facing the sector, and the role of the FDSC in government's partnership with industry and implementing the Strategy once published. He then thanked Ian Wright and Terry Jones for their continuing interim co-chairship and noted that Defra was confirming the process for appointing the new industry co-chair.

## **Opening Remarks with Minister Prentis, Minister of State**

Ian Wright welcomed the Minister of State Victoria Prentis. The Minister highlighted the importance of the sector economically and in the opportunity for levelling up. She acknowledged industry anxiety around the health agenda and highlighted that government would work with industry through challenges. She outlined that the Food Strategy would be themed around: a prosperous sector; choice and access to nutritious food for all; and increasing exports and safeguarding domestic standards. She highlighted that the government would take a collaborative, 'one government' approach and seek partnership with industry and other groups.

## **Discussion on forthcoming Government Food Strategy**

Defra had circulated a paper in advance seeking members' views on priorities and risks, for discussion at the meeting. Ian Wright invited the Minister of State to outline government thinking on the Food Strategy. The Minister highlighted the following three areas of the Strategy which had potential for the FDSC to play a key role. The first was to boost the innovation landscape, for example to support the production of fresh produce and address

labour shortages. The FDSC potentially had a leadership role to coordinate industry priorities and work with Research Councils and other bodies to ensure uptake across the sector and show government where to support. The second was skills and maximising the right skills provision. The third was partnership between government and industry on food data transparency, to develop metrics and standards for key issues in the supply chain. The Minister added that mandatory reporting for larger businesses could be introduced at a later stage.

Members asked about the strength of cross-government working. Members also raised the practicalities of devolution in terms of delivering Food Strategy priorities and on imports. Members accepted there would not be 100% alignment between devolved nations but sought alignment on underlying assumptions and definitions (for example, definition of waste). Members observed that the FDSC could have a role in coordinating a UK approach through agreement on common elements. Members asked if Defra saw the FDSC as a hub-and-go master convener, given that the sector was not consolidated nor always efficient at getting things done. Members thought that industry needed to be internationally competitive – the sector was fragmented, under-invested and lacking world class collaboration (for example, with universities). Members highlighted the value of the Food Strategy as a mechanism for join-up, including on levelling up opportunities.

In addition, members sought clarity on government ambition on imports, and for alignment between future policy and the Food Strategy. Members thought that Free Trade Agreements were being rushed and risked introducing low quality food from overseas which would undermine domestic producers / production.

Members reflected on the need for government and industry to use the same raw data, to engage with the international community on a level playing field and for digitisation. Members recognised that government needed data but asked for clarity on purpose of data collection. Members reflected for example that industry had supplied large amounts of data during the Covid-19 emergency but how that data had been used was not always clear.

Members reflected that all agreed on the need for a healthy, well-nourished nation – it was the method that could cause disagreement. Members emphasised the need to link farming and processors to food, through for example education on people, quality, provenance, and cooking from scratch. Members expressed concern about the health agenda as it was driven by individual choice.

Members observed that SME and entrepreneurial ambition would be challenged by the inflationary environment, especially in tandem with regulatory changes expected. This confluence would increase business costs and reduce businesses' ability to invest in innovation. Members observed that SMEs could be damaged through the government approach on, for example, 'HFSS', which makes products more expensive. Members further observed that many SMEs give up on the export market as they see accessing it as too complex.

Members advocated for the Out of Home sector in its entirety to be captured by the Food Strategy. Members also asked for government standards on public sector catering. Members highlighted that industry bandwidth was limited and advocated prioritisation and sequencing – for example of long-term strategy for investment, and Net Zero (as most in industry already had 2040 commitments).

By way of response, the Minister and David Kennedy reflected that ‘one government’ working had been strengthened during the Covid-19, and the Food Strategy was being socialised across government as it developed. The importance of alignment between the four nations on the broad underlying issues was reinforced, notwithstanding that policy could be a devolved matter. The government’s current planning was to aim to broadly maintain the current level of security of food supply. Finally, reporting requirements were not completely new - the issue was method and consistency of use.

The Minister of State left the meeting at 4.30pm.

## **Discussion of role of Food and Drink Sector Council**

Ian Wright invited David Kennedy to outline his views on the potential role of the FDSC in delivery of parts of the Food Strategy. David Kennedy outlined the FDSC’s potential role as a steering group to oversee the FDSC’s workstreams, which would be tasked to solve problems, deliver tangible outcomes and report to the strategic FDSC.

Members asked if other issues besides Food Strategy would become subsidiary, and if the FDSC should stop discussing issues outside scope of the Strategy. Members suggested there was scope for government to provide an operating model for the FDSC. David Kennedy replied that the FDSC should remain agile and not restrict itself to Food Strategy issues alone. He reinforced that the Food Strategy should provide the golden thread.

Members also pressed for a ministerial co-chair as for the Exports Council and other Sector Councils.

## **Exports – Presentation on the FDSC’s Exports Working Group, Defra update on Exports Council**

Graham Hutcheon as chair of the FDSC Exports Working Group gave a final presentation on the work of the Group. He called for an industry co-chair alongside the government co-chair on the new Exports Council, collaboration between the four nations, and business-to-business collaboration and mentoring to encourage more companies to export.

Members highlighted that many SMEs are struggling to build export business and there is more work to do to engage them.

Defra then updated the FDSC on the Exports Council. Defra reported that the structure of the Exports Council was being worked through with the expectation that it would meet quarterly, with sub-groups meeting more frequently on specific areas. Defra reported that diverse membership including SMEs was being sought. Defra reported that the Exports Council would be a collaboration with the Department for Trade and Industry (DIT), industry and devolved nations.

Members observed that industry had limited capacity following EU Exit and Covid-19 emergency and were walking away from exports. Members said that the Exports Council would need to engage across borders with senior, heavy-weight representation at the top. Finally, members extended their thanks to Graham and reflected that the Exports Council would need to carry through the legacy of the Exports Working Group.

By way of response, Defra reinforced that all were agreed on the need for more exports - government and industry were not in competition, and the important point was to work together on how to achieve priorities which both industry and government already want.

## **Final Comments and Close**

The Co-Chairs thanked everyone for coming and contributing to the meeting. The date of the next meeting was confirmed for 24 May 2022.

# Annex A

## Observers

### Observers from Industry:

Jayne Almond	Food and Drink Federation
Jim Cathcart	UK Hospitality
Angela Christison	Agriculture and Horticulture Development Board
Helen Ferrier	National Farmers' Union
Lewis van Diggele	Nestlé
Amy Glass	Food and Drink Federation ( <i>Food Strategy agenda item only</i> )
Dominic Goudie	Food and Drink Federation ( <i>Exports agenda item</i> )
Philip Hambling	National Farmers' Union
Caroline Keohane	Food and Drink Federation
Ian Mace	ABF

### Observers from Government

Alison Ismail	Director, Agri-Food Chain Directorate, Defra
Jonathan Back	Retail, Wholesale and Growth and Government Secretariat
Ananda Guha	Deputy Director, Food Exports, Promotion and Partnerships, Defra
Gill Lashley	Deputy Director, Food Resilience, Supply Chain and Access to Food and Government Secretariat
Ian Lonsdale	Deputy Director, Agri Food Chain Evidence and Analysis, Defra
Tim Mordan	Deputy Director, Innovation, Productivity & Science, Defra
Bunmi O'Tola	Exports Strategy Team Leader (Agenda Item 5 on Exports)
Danny Roff	Deputy Director, Food Strategy, Defra
Lewis Acred	Food Strategy, Defra
Laura Chapman	Food Strategy, Defra

Sam Royston	Food Strategy, Defra
Elliot Anderton	External Comms, Defra
Clare Brannagan	External Comms, Defra
Grace Cullen	External Comms, Defra
Daniel Barnes	Press Office, Defra
Olga Szymanska	Press Office, Defra
Anna Brohan	SMEs and Manufacturing Engagement, Defra
Paul Edmunton	Agri-Food Chain Stakeholder Engagement, Defra
Zoe Forbes	Department for Education
Daisy Lainoff	Department of Health and Social Care
Eleanor Dowding	Department of Health and Social Care

### **Observers from Government (Devolved Administrations)**

Brian Luke	Food Supply Security, Department of Agriculture, Environment and Rural Affairs, Northern Ireland
David Morris	Welsh Government

### **Secretariat**

Tanya Barringer	Industry Secretariat Executive
Ian Rayson	Director, Industry Secretariat
Helen Matthews	Government Secretariat, Defra
Clare Whittaker	Government Secretariat, Defra