

Summary of the Food and Drink Sector Council (FDSC) meeting on Thursday 1 July 2021

Co-Chairs

Joint Industry Co-Chairs

- Ian Wright - Director General, Food and Drink Federation
- Terry Jones - Director General, National Farmers' Union

Government Co-Chair

- Alison Ismail - Director, Agri-Food Chain Directorate, Defra (standing in for David Kennedy, Director - General, Food, Farming and Biosecurity)

Ministers (for introductory remarks)

- The Right Honourable George Eustice MP, Secretary of State for Environment, Food and Rural Affairs

Attendees

- Judith Batchelar - Director of Sainsbury's Brand, Sainsbury's
- Minette Batters - President, National Farmers' Union
- James Bielby - Chief Executive, Federation of Wholesale Distributors
- Gavin Darby - Former Chief Executive Officer (CEO), Premier Foods
- The Right Honourable John Gummer, Lord Deben - Chairman, Sancroft
- Graham Hutcheon - Group Operations Director, The Edrington Group
- Nicholas Saphir - Chair, Agriculture and Horticulture Development Board
- Cassandra Stavrou - Founder, Propercorn
- Kate Nicholls - Chief Executive, UK Hospitality
- Andy Richardson - Head of Corporate Affairs, Volac
- Nick Whelan - Group Chief Executive, Dale Farm Ltd

Apologies

- Stefano Agostini - CEO, Nestlé UK Ltd
- George Weston - Chief Executive, Associated British Foods Plc

Secretariat

- Tanya Barringer - Industry Secretariat, FDSC
- Caroline Keohane - Industry Secretariat, FDSC
- Ian Rayson - Head of Industry Secretariat, FDSC
- Alex Howell - Government Secretariat to FDSC, Defra
- Helen Matthews - Government Secretariat to FDSC, Defra
- Clare Whittaker - Government Secretariat to FDSC, Defra

Government

- Rupert Daniels - Director, Department for International Trade
- Gill Laishley - Deputy Director, Food Supply and Resilience and Access to Food, Defra
- Ananda Guha - Deputy Director, Exports and EU Exit, Defra
- Susan Jebb - Chair, Food Standards Agency
- Ian Lonsdale - Deputy Director, Agri Food Chain Evidence and Analysis
- Tim Mordan - Deputy Director, Innovation, Productivity and Science, Defra
- Phil Slarks - Assistant Director, Innovation, Science, Research and Innovation Directorate, Department for Business, Energy and Industrial Strategy (BEIS)

Introduction

Ian Wright opened the meeting and welcomed attendees. He congratulated Professor Susan Jebb on her appointment as Chair of the Food Standards Agency and welcomed Ian Rayson back to the Industry Secretariat after a period of absence.

Ian reflected that the time was right for the council to review its priorities and strengthen collaboration across the sector and the 4 nations, and a summer workshop was being planned for that purpose.

Alison Ismail welcomed Professor Susan Jebb and noted the breadth and importance of the items on the agenda.

Opening remarks with the Secretary of State

Terry Jones welcomed the Secretary of State George Eustice. The Secretary of State reflected on the agenda and in particular trade. Noting the need to support exports and market access, balance defensive positions with export opportunities, and balance imports with ambitions on environmental impacts and animal welfare.

He welcomed the council's input to the UK government's Food Strategy White Paper.

Members asked the Secretary of State about the appetite for adding heavy goods vehicle (HGV) drivers to the shortage occupation list.

He responded that the area was owned by the Home Office, but Defra was working with the Department for Transport on short-term solutions. Terry Jones reflected that the council's role was to discuss strategic approaches to longer-term solutions to labour shortages.

The Secretary of State left the meeting.

Food and Drink Sector Council end of transition report

Nicholas Saphir as chair of the council's end of transition workstream thanked members who had contributed to the Report and presented its key findings.

Nicholas highlighted the report's primary recommendation for a new council workstream on imports, to consider:

- the role of consumer habits (no longer seasonal)
- the need for better data
- potential for increased investment to produce foods in the UK
- underpinning for innovation and skills

Members thought that imports were not always undesirable, but that economic opportunities should be sought. Members reflected on recent investment in the UK by Kraft and Heinz, Cadbury and Mondelez and Heineken, but thought the government needs to provide more support.

Members thought that data should be linked to the UK Food Security Report required by the Agriculture Act. Members also thought that imports should be considered from a devolved perspective.

Defra reminded members that imports were commercial decisions for industry, and that industry was best placed to capitalise on any untapped opportunities.

Members agreed the new workstream, and were invited to volunteer, to report back to the Council later in 2021.

Nicholas then highlighted the recommendation for a new council workstream on Net Zero, to map existing sector activity, reach a common understanding of terminology, and potentially provide a means for the UK government and the sector to hold specific sub-sectors accountable for reaching targets.

This would need to fit with existing work being undertaken by Waste & Resources Action Programme (WRAP). Members agreed to the new workstream, and were invited to volunteer, to report back to the council later in 2021.

Nicholas also highlighted a report finding to consider exports at a more granular level including the collection and analysis of data, and for industry and UK government better to work together though including in-country specialists and the exports hub.

Nicholas then highlighted the report's reflection that the council should take a broader approach to innovation than it had done thus far, notwithstanding the substantial work it had done on the concept of a digital twin for the food industry.

Finally, Nicholas highlighted the report's findings of gaps in data and analysis on labour and skills. Members reflected on medium- to long-term solutions to labour shortages, such as fast-tracking mature apprentices through accelerated training of shorter duration.

Innovation Strategy

BEIS gave an overview of current thinking on the [Government's forthcoming Innovation Strategy](#) (published 22 July 2021). BEIS outlined innovation is one of the three pillars of the Plan for Growth, intended to enhance productivity across the economy, and bring in jobs, growth and prosperity to all parts of the UK.

The Innovation Strategy is UK-wide. It sits alongside important work being done in the Devolved Administrations to boost innovation and growth. Its primary focus is businesses and how to encourage and support business investment.

The strategy is only the first step and in the coming months and years HMG will continue to build our innovation agenda. This will include key strategies which set out more detail, including in specific sectors, such as the forthcoming Food Strategy White Paper. The Innovation Strategy is designed to be long term and marks a continued conversation with industry.

BEIS confirmed that council engagement on the strategy should be through Defra, and Defra reinforced that the two Departments work closely on innovation.

Members asked if there was specific ministerial responsibility for the strategy. BEIS responded that BEIS ministers had a keen interest.

Members also asked how SMEs could be involved, given their key role in innovation, and how the council could inspire SMEs to innovate.

BEIS responded that a number of measures in the strategy are specifically targeted towards SMEs, including supporting access to finance, encouraging adoption of innovative practices and increasing basic business skills, such as, Help to Grow.

Labour shortages roundtable

Terry Jones outlined that labour shortages were the biggest challenge facing food businesses and, whilst there was a lot of immediate action, the council had a role in taking a longer term, more strategic view. Members were asked to consider a ministerial roundtable to consider solutions.

Members observed that data had previously been collected and provided and questioned the purpose of a roundtable given that previous attempts to influence policy, in particular with the Home Office, had been unsuccessful.

Members observed that a longer-term approach was needed, as the issue was skills as much as labour shortages. Members reflected that EU workers no longer wanted to work in the UK and investment was needed in the UK workforce.

Members recognised that the issue was about both immigration routes and ensuring a UK workforce with the right skills.

Terry thanked members for comments and reflected that more thought was needed on the proposal.

Trade policy

The Department for International Trade (DIT) outlined how the council and wider sector could interact with the UK government on trade deals. The approach had been to work

with Defra and the Food Standards Agency and businesses and business organisations through the Trade Advisory Group.

DIT explained that the Trade and Agriculture Commission (TAC) had given businesses a further platform to make recommendations on the UK government's approach to trade. A formal UK government response to the TAC recommendations was due shortly.

DIT explained that the UK was also conducting public consultations on trade deals. These were still open on Mexico and Canada and council members were encouraged to participate.

DIT acknowledged concerns in some sectors on the in-principal agreement with Australia but pointed out that it also offered opportunities to other sectors, and the detail was still to be agreed.

Members reported frustration that industry was not more closely linked to trade negotiations and that they had learned of the agreement through social media. Members also highlighted the different resources of other countries to encourage trade.

For example, Australia had twenty-two in-country specialists whilst the UK had two. Members also expressed concern at the ramifications of joining the CPTPP and the impact of China joining on any potential US trade deal.

DIT assured members that feedback was passed on to ministers, and that the point about trade team structures would be raised internally.

National Food Strategy

Stuart Roberts as co-chair of the council's national food strategy workstream introduced the draft industry vision statement.

He explained that as meetings and the roundtable associated with the National Food Strategy Independent Review had been cancelled. This draft vision was now seen as the council's input to the government's Food Strategy White Paper.

He explained that the draft presented to the council would be subject to wider industry engagement over the summer, followed by the final report. The intention was also to build momentum across the sector in support of the Food Strategy White Paper.

Alex Dawson of Global Counsel then highlighted key points in the draft vision. He explained that the desire was to build a positive food culture in the UK with a call for better eating to be a national priority, which would help address underlying problems such as poor nutrition.

On skills, the priority of the draft vision was to attract the best and brightest to the sector, building on the government's skills reforms and the new skills levy, for example. The draft vision was looking at the need to mechanise and attract UK workers to the industry but thought that some level of seasonal immigration would likely continue to be needed.

On innovation, the draft vision emphasised the need to support small and medium enterprises (SMEs) (gateway schemes) and for more government funding for research and development. The draft vision also touched on food poverty, with a call for foodbank usage to be zero by 2030.

Members reflected that the draft vision did not go far enough and should go further than focussing on the relationship between industry and the UK government to look at relationships between industry and consumers, for example, to reflect on how consumers support sustainability.

Members debated the inclusion of foodbank usage and food poverty. Members commented that food poverty was a manifestation of poverty, and for the UK government to address through wider policies.

Members also reflected that affordability of food was not the issue, as food in the UK was historically affordable compared to other nations. Members agreed to include the recommendation on food banks in the draft report but as a means to reframe the debate and focus on poverty as the driver of food poverty.

Members thought that this debate should also consider the impact of decreasing UK food costs on businesses' appetite to export. Finally, members reflected on the need to look at how the food sector works together and how to mirror other sectors.

Global Counsel encouraged further member feedback via email. Stuart Roberts ended by acknowledging that members wanted the draft vision to be bolder.

Final comments and close

The Co-Chairs thanked everyone for coming and contributing to the meeting. The date of the next meeting of the Council was 27 September 2021.

Annex A

Observers

Observers from Industry

- Sarah Blanford - Sainsbury's
- Jim Cathcart - UKHospitality (UKH)
- Helen Ferrier – National Farmers Union (NFU)
- Dean Gargano - Nestlé
- Mark Corbett - Food and Drink Federation (FDF)
- Amy Glass - FDF (for NFS agenda item only)
- Emma Piercy- FDF (for Net Zero agenda item only)
- Dominic Goudie - FDF
- Ian Mace - Associated British Foods (ABF)

Observers from government (England)

- Lewis Acred - Food Strategy White Paper, Defra
- Daniel Barnes - Press Office, Defra
- Anna Brohan - Agri-Food Chain Stakeholder Engagement, SMEs and Defra
- Jonny Baker - External Communications, Defra
- Paul Edmunton - Agri Food Chain Stakeholder Engagement, Defra
- Hugo Popplewell - Head of Sanitary and Phytosanitary and Technical Barriers to Trade, EU and International Trade Directorate, Defra
- Alex Read - Policy Lead, Food Chain Sustainability, Defra
- Olga Szymanska - Press Office, Defra
- Daren Stretton - Policy Lead, Farming, Food Sectors, Trade and EU Negotiations Defra

Observers from Devolved Administrations

- Alice Biggins - Food and Drink Industry Growth, Scottish Government
- Brian Luke - Food Supply Security, Department of Agriculture, Environment and Rural Affairs, Northern Ireland
- David Morris - Welsh Government