

**Written evidence submitted by the British Food Importers and Distributors Association
(FRE0091)**

Introduction

1. This response has been submitted on behalf of the British Food Importers and Distributors Association (BFIDA).
2. The associations represent the interests of the importers of ambient foods amongst them well known canned food brands sold in the UK since the late 1880s.
3. Our members traditionally import from countries who are members of the European Union and many other countries from around the world.
4. Our members represent ninety-plus percent of own label and branded ambient (mainly canned) fruits, vegetables, pasta, fish, olive oil and meat products to retailers and food services; the total market is worth over £2 billion annually excluding Lidl, Aldi, and High Street discounters.

Submission to the Inquiry (which we have restricted to the area within our competence)

- a. The UK has a long tradition of importing ambient foodstuffs which cannot be caught, grown, or processed in the UK. Our members' products are therefore essential complementary foods to domestic agri-food products offering a complete food basket option to the consumer.
- b. Following the UK's accession to the Common Market, which evolved later into the European Union, our members recognised the opportunity of introducing new staple food products in the domestic market. For example, the entire range of preserved tomato products, dried pasta, sweet corn, canned fish, and pork as well as the healthy Olive oil.
- c. Many UK food manufacturing businesses use imported raw materials and cans, which will be subject to duties; therefore, these increased costs to the consumer will also result from domestically produced grocery products. This includes a range of UK produced products including sandwiches, ready meals, and pizzas.
- d. It is essential to strike the right balance in the negotiations with the EU on the agri-food sector, and an imposition of high tariffs would adversely affect both exports and imports between the EU, and the UK.
- e. A comprehensive partnership agreement as envisaged with the EU must not restrain the UK's ability to negotiate new trade agreements covering agricultural products and food with third countries.

- f. In the absence of reaching an agreement, trading under the UK's Global Tariff would amount to significantly increasing the cost of food products mentioned in b. above from currently a duty-free environment to between 11 and as much as 60 percent for Olive Oil. As an example, for canned tomatoes, a product that is used in many households across the UK, a tariff of 14% is proposed. These increases would ultimately be reflected in the shelf price to the consumer increasing the cost of the shopping basket and put some of these staple grocery products out of the reach of the poorer consumer. The UK consumer did not vote for BREXIT with any expectations of tax hikes, let alone of this magnitude.
- g. During the time of recovery from COVID-19, and an expected higher level of unemployment and economic recession it is unacceptable to make the consumer pay a higher price for staple food products whether these be imported or from domestic production.
- h. A no-deal outcome would have a negative impact on the £Sterling rate of exchange, and this would, in turn, further impact food costs beyond merely the imposition of duties and border charges.
- i. Our members are planning for the end of the transition period. Still, with so many unknowns in the short time remaining until 31st December 2020 they find it difficult to trade without taking many risks with a negative impact on the profitability of the food industry sector where margins are thin compared to other industries.
- j. In the event of a No Deal scenario, the UK government needs to have an alternative plan to the simple imposition of the UK Global Tariff which would have a major negative impact on the UK food industry, the UK consumer and ultimately the UK economy.

July 2020



Committee on the Future Relationship with the European Union

House of Commons, London, SW1A 0AA

Email: freucom@parliament.uk Website: <https://committees.parliament.uk/committee/366/committee-on-the-future-relationship-with-the-european-union/>

16 July 2020

Mr Walter Anzer MBE
Director General
British Food Importers Distributors Association

Dear Mr Anzer,

The House of Commons Committee on the Future Relationship with the European Union is inquiring into the progress of the negotiations between the UK and the EU. Under normal circumstances, the Committee holds regular oral evidence sessions in Westminster. However, measures to prevent the spread of the coronavirus make this difficult.

The Committee is keen to gather as much evidence as possible to inform its deliberations so I am writing to you to ask whether you would be willing to help us with our work by making a written submission. We welcome general responses to our [call for evidence](#), which was published on 4 March. We also hope that you would be willing to answer some of the more specific questions set out below on issues that fall within your area of expertise. Submissions need not address every bullet point and can include other matters that you think are relevant to the negotiations and should be drawn to the attention of the Committee.

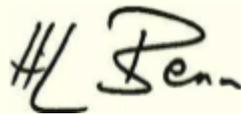
- What are the key priorities of the agri-food sector in the negotiations?
- To what extent did the UK Government consult the agri-food sector before publishing its negotiating aims and draft texts? How well does what the Government has proposed meet their needs? What further provisions would you have advised the Government to seek?
- How do the UK and the EU's positions in the negotiations on the future relationship compare regarding agricultural products and food? What is your assessment of the level of technical detail the negotiators have grappled with on this topic to date? How might they impact on the agri-food sector? Could you sketch out a possible compromise in this area?
- How do the UK and the EU's positions in the negotiations on the future relationship compare regarding geographical indications and plant varieties? How do they compare to the provisions already in the Withdrawal Agreement? How might they impact on the agri-food sector? Could you sketch out a possible compromise in this area?
- How do the UK and EU's positions in the negotiations on the future relationship compare regarding the transportation of goods? To what extent are they linked with the wider discussions on the level-playing field? How might they impact on the agri-food sector? Could you sketch out a possible compromise in this area?
- How do the UK and EU's positions in the negotiations on the future relationship compare regarding Rules of Origin? How might they impact on the agri-food sector? Could you sketch out a possible compromise in this area?
- How do the UK and EU's positions in the negotiations on the future relationship compare regarding labour mobility? How might they impact on the agri-food sector? How might any concerns from the agri-food sector be addressed by the new immigration regime?
- How would the Northern Ireland Protocol interact with any free trade agreement covering agricultural products and food? What are the risks and opportunities to GB and

NI agri-food producers and retailers of the potential difference in the agri-food regime across the Irish Sea?

- Based on the parameters set out by the UK and EU draft legal texts, could reaching an agreement with the EU restrict the UK's ability to pursue a free trade agreement covering agricultural products and food with third countries? If so, how? Do you anticipate the Trade and Agriculture Commission examining this topic?
- What would happen if agreement was not reached between the UK and the EU on agricultural products and food? What would be the impact on UK farmers of having to pay tariffs?
- If there was no agreement, what would be the international legal baseline they would fall back on?
- How might the Border Operating Model assist the agri-food sector in adjusting to a scenario whereby the Transition Period ends without a trade agreement in place?
- Is it clear what the agri-food sector must do to prepare for the end of the Transition Period? How much progress have been made on preparations so far? Do SMEs face any additional challenges?
- What has been the impact of Covid-19 on the agri-food sector? What lessons can be learned from this that could assist in preparations for a new regime after the Transition Period ends?

The Committee staff will be happy to discuss the inquiry, any issues raised, or the process for submitting written evidence. You can contact them at freucom@parliament.uk.

Yours,

A handwritten signature in black ink, appearing to read 'H. Benn'.

Hilary Benn
Chair of the Committee