LISTENING TO THE FOOD AND DRINK SECTOR'S PERSPECTIVE

Between October 2016 and January 2017 the Food Standards Agency (FSA) talked openly with organisations large and small involved in the food and drink sector about the UK's exit from the EU. We listened as participants explored the opportunities and issues they perceive, and shared their expectations of the FSA.

OPPORTUNITIES

For participants, the EU Exit presents opportunity to enhance a British brand based on both the UK's high standards and 'trendsetter' reputation as well as our better welfare and overall quality. It further gives opportunity to expand primary production export (e.g. pigs), improve speed to market (e.g. novel foods), level the playing field with imports (e.g. potatoes) and reduce some costs (e.g. EU import levies). This might be driven by a shared UK food and agriculture policy, and participants stressed the importance of promoting UK business as a whole, avoiding competing as four separate countries.

Building on the UK's good reputation, the FSA might seek to improve the regulatory regime, based on outcomes and science, in order to make compliance easier without diminishing standards. The FSA might strive for greater flexibility – especially regarding legislation which is deemed onerous for UK markets, e.g. biocides and use of tap water in food and drink – and might clarify unclear definitions. Port procedures could be simplified and made more practical (e.g. product testing at airports) and enforcement improved. Furthermore, for ports the EU Exit is a catalyst to make operational improvements now by fundamentally reviewing data and information flow and enhancing risk management while goods are still at port, with the benefit of protecting public health and enabling greater collaboration between Customs, Trading Standards and port health authorities as well as with the trade.

ISSUES

Participants agreed that uncertainty is the main cause for concern – ranging from questions over access to raw materials and risk of inflation, continued involvement with the European Food Safety Authority and European networks, participation in the Union Customs Code, a mixed consumer response (with rising concern over food pricing) and the impact on businesses owned by member states or with multiple sites across the EU. There was anxiety about diminished capacity for industry and enforcers due to labour losses (both migrant and seasonal workers, e.g. those in non-automated sectors such as chilled goods, of lorry drivers, of vets) combining with increased inspections, additional burdens on port health resources, and potential delays at borders – which might also result in increased food waste and food fraud. There were particular concerns about managing food across the Irish border. Questions were raised over the FSA's and border agencies' capacity and experience to replace what the UK might lose on exit.

Principles of open data publication needed to be accompanied by clear context explanations so that third countries could not misinterpret the material so as to disadvantage the UK. Although price is not governed by the FSA, participants flagged the potential for cheap food to affect food quality, and raised concern over lack of consumer knowledge and labelling.

Participants feared food businesses may experience pressures and delay before new export deals materialise or benefits are realised, in addition to possible costs associated with a changeover to a different regulatory regime. There was concern that the food sector's needs may lose out to other sectors, even though food's scale and reach are bigger (e.g. than car manufacturing). Another at risk area is scientific research, both due to the assumed loss of future European research to Brussels and its impact on the UK's universities.

EXPECTATIONS

Participants asked the FSA to be a voice now for its priorities, and to help Government make decisions workable. Participants particularly wanted the FSA to avoid a two-tier regulatory regime, one for domestic and one for international markets, which might be further fragmented by Devolved Administrations. A two-tier system was deemed generally undesirable. Some SMEs might feel benefit, but we also heard from very small food businesses that already had a healthy export trade.

Noting the risk of food issues being hijacked by the media, politicians and self-interested parties, participants wanted the FSA to protect and support the UK food industry. Recognising the increased burden on the FSA, participants urged the Department to stay focussed and to manage well the demands of exiting, to stand by its principles and to minimise risk of food scandals in the immediate future.

Finally, participants welcomed the FSA's listening stance with industry and consumers, and urged it to continue with as broad and as open a conversation as possible to help the trade gear up for change.

The round table discussions with the food and drink sector encompassed senior (global business) stakeholders through to SMEs as well as representative bodies, local authorities and port health authorities. These consultation sessions were chaired by FSA Chair Heather Hancock.

LISTENING TO THE PUBLIC'S PERSPECTIVE

Since October 2016, the Food Standards Agency (FSA) has researched the views of the public in England, Wales and Northern Ireland relating to the EU Exit and food. We listened to the opportunities and issues the public are thinking about, and their expectations of Government including the FSA. We asked about their understanding of EU food law and regulation. We have run several online surveys of approximately 1,500 over 16s, of which the latest wave was conducted in July 2017.

In addition to the surveys we also carried out eight focus groups in November 2016 across the UK (the groups were split evenly by voter preference in the EU referendum). We found that participants were not associating the EU Exit with the food market in terms of their priorities. They were generally unaware of the extent of the EU's involvement in UK food regulation outside of media associations e.g. 'wonky veg'. Participants agreed on an 'initial pain' for the UK consumer following the EU leave vote, but then identified opportunities to use the best parts of EU regulation*.

OPPORTUNITIES

Participants wanted to protect the high regulatory standards in the UK, but agreed that a review of the current systems could strengthen helpful regulation and cut out unnecessary demands on businesses*.

POTENTIAL OPPORTUNITIES IDENTIFIED*

- Cut down on bureaucratic/politically motivated regulations
- Boost to local and UK economy
- UK as an 'international leader' in food standards
- New trade agreements
- Creation of new food markets
- Removal of inconsistent EU framework

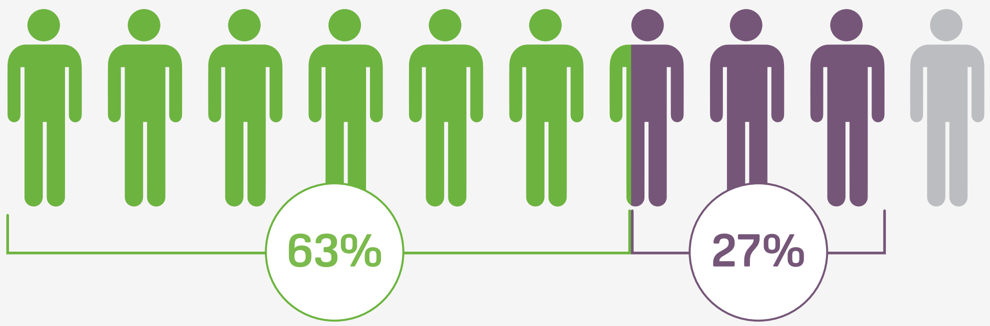
ISSUES

In November 2016 levels of concern around food issues were largely reported not to have changed as a result of the vote to leave the EU, with most saying they were neither more nor less concerned about food-related issues than they were before*.

POST-EU VOTE CONCERNS *

- Price rises
- Availability & product shortages
- Industry cutting corners
- Lower quality of food
- Different regulations across the EU

HOWEVER, IN JULY 2017 WELL OVER HALF OF RESPONDENTS (63%) ANTICIPATED PRICE RISES IN FOOD AS A RESULT OF THE VOTE TO LEAVE THE EU – 18% HIGHER THAN OCT 16. 27% BELIEVED THAT PRICES WILL STAY THE SAME – 13% LOWER THAN OCT 16. **



WHEN PROMPTED WITH FOOD ISSUES SPECIFICALLY, RESPONDENTS WERE MOST LIKELY TO REPORT BEING CONCERNED ABOUT: **

73%
Affordability of food

71%
Food from outside the UK being safe and hygienic

71%
Food from outside the UK being what it says it is

69%
Animal welfare

Food Standards Agency
food.gov.uk

EXPECTATIONS

Participants were against reducing any current obligations on businesses but agreed that they will need additional support post-EU Exit from FSA/government around the new regulatory environment. There was a strong desire to keep the current system. Whilst issues such as food being what it says it is and food price / quality were deemed 'non-negotiable', participants were willing to compromise on things like labelling and aesthetics / packaging.*

RESPONDENTS IDENTIFIED THE AVAILABILITY OF AND SUPPORT FOR HOME GROWN BRITISH PRODUCE AS A PRIORITY FOR BOTH...**

The food industry
20%

Government
6%

RESPONDENTS' VIEWS ON KEY PRIORITIES FOR THE GOVERNMENT: **

76%
The safety of food from outside the UK

74%
Affordability

74%
The safety of food from inside the UK

Perceptions of potential changes to food regulation are mixed. **30%** of respondents think there will be more regulation and **49%** think less (+6% since Oct 16). More people think the changes to regulation will be bad than in previous research (24% in Oct 16; **32%** in Jul 17). One in five said they don't know.**

DO YOU THINK THERE WILL BE MORE OR LESS REGULATION WHEN BRITAIN LEAVES THE EU?

30%
think there will be more regulation

49%
think there will be less regulation

20%
say they don't know

DO YOU THINK THESE CHANGES TO REGULATION WILL BE GOOD OR BAD?

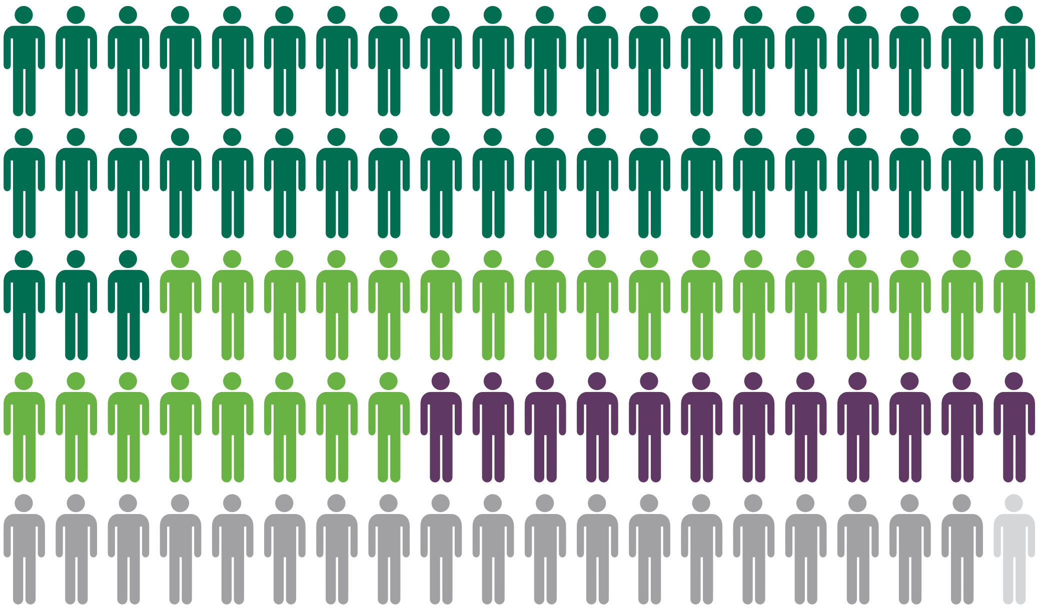
47%
think changes to regulation will be good

32%
think changes to regulation will be bad

20%
say they don't know

EXPECTATIONS

RESPONDENTS ARE MOST LIKELY TO THINK A MAJORITY OF FOOD REGULATION COMES FROM THE EU.**



43% think more food laws come from the EU than the UK

25% think they come evenly from the EU and the UK

12% think they come more from the UK than the EU

19% say they don't know

*This research was conducted by Kantar Public on behalf of the Food Standards Agency.

Fieldwork dates: 7-21 November 2016.

Method: Citizens' Forums – 8 groups x 7 participants – 8 locations across UK Groups split by voter preference – 3 leave/3 remain/2 did not vote or prefer not to say

**This research was conducted by Kantar Public on behalf of the Food Standards Agency.

Fieldwork dates: 6 October 2016 – 13 October 2016 and 6 July-14 July 2017. Data quoted is from July 2017 unless otherwise stated.

Method: Online interviews with an average of 1,480 adults aged 16+ in England, Wales and Northern Ireland. Data is weighted to be representative of the adult UK population.