

# JOURNAL

Winter 2022 | Working in support of modern, sustainable, commercial agriculture



## **AIC's Agribusiness Conference**

Cautious optimism that agri-food supply chain can manage disruptive shocks

## **AIC gives evidence to MPs on Food Security**



## An update from AIC Chief Executive Robert Sheasby

“Strong and stable” was once a slogan in national and international politics, but 2022 seems very far removed from such a concept. AIC’s recent Agribusiness conference saw Defra Farming Minister Mark Spencer in his first public speaking role, along with representatives from Scotland and Northern Ireland. The first in-person conference for three years allowed for invaluable networking and thinking about the future.

As we move to the end of the year, we look to 2023 with hope and ambition. The work AIC is undertaking to represent every business continues unabated, whether it is on the future of agricultural and environmental policy across the UK, regulatory change or unforeseen global issues. With its committee structure, AIC continues to work to its three pillars of Competitiveness, Productivity and Environment for a sustainable future for all in the agri-supply chain. Wishing you all a Merry Christmas and a prosperous 2023.

Robert Sheasby,  
Chief Executive, AIC

## Keeping pace with politics in an ever-changing landscape

The UK political landscape has changed considerably since the last report, with another change of Government. A new ministerial team in Defra is led by Rt Hon Thérèse Coffey MP as Secretary of State, supported by Rt Hon Mark Spencer MP as Minister. With huge pressures across the economy, AIC will be working with Government to ensure that policies to promote productivity, food production and legislative certainty for business are supported during this parliament.

Two years is a very long time in politics, and that is our maximum timeframe until another General Election. It is for this reason that AIC continues to work with all parties across the UK, allowing any new Government to be best informed about the agri-supply sector right from the start. AIC attended Labour, Conservative and SNP party conferences this autumn and we will continue to meet with parliamentarians to ensure the sector’s voice is heard.



Ed Barker,  
Head of Policy and External Affairs



## AIC gives evidence to MPs on food security

On 8 November AIC's Head of Policy Ed Barker gave evidence to the Environment, Food and Rural Affairs (EFRA) Select Committee in the House of Commons, advocating for a comprehensive policy on food security. Alongside NFU President Minette Batters and AHDB's Will Jackson, Ed answered questions from MPs on how rising production costs are affecting farmers, processors, retailers and consumers and laid out the strategic barriers to food security.

Ed called on the Government to consider extending its Energy Bill Relief Scheme (EBRS) beyond its current cut-off of March 2023. Ed highlighted that many agri-supply businesses cannot fix their energy costs and haven't received assistance under the relief scheme.

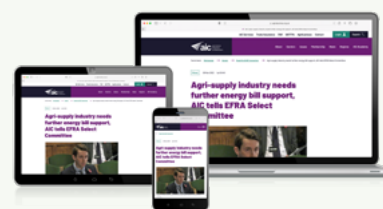
MPs also considered how further Government support could secure fertiliser supply in light of wholesale gas price volatility disrupting planning and budgeting. Ed explained that competitor countries had already taken action to secure fertiliser supply and that the UK needed to be more proactive.

Ed also highlighted the need for a mineral security policy to ensure that core inputs are understood across the food supply chain, citing fertiliser, glyphosate and animal feed materials. Other challenges cited by AIC included the need for investment in core infrastructure, notably in logistics and port capacity, as well as better IT systems in imports and exports.

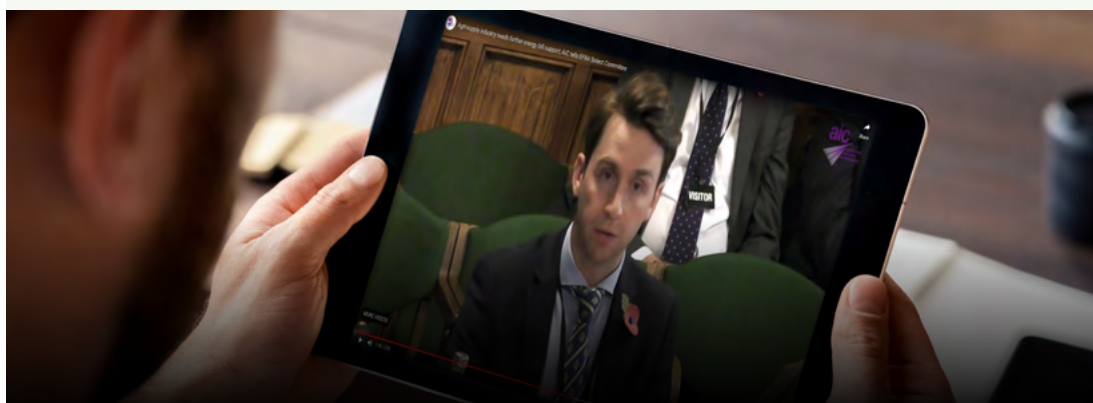
The Committee heard that the EU exit still presented practical barriers to trade which threatened

to impact food security in the medium to long term, including GB reach and its active substance approval processes.

Finally, AIC warned that new agricultural schemes needed to work alongside productive businesses and must not place incentives against food production. The Committee's final report will be published early next year.



[Visit the AIC website to watch the summary video.](#)



**Ed Barker,**  
Head of Policy and  
External Affairs

## Realistic timescale to review retained EU law needed

Ian Muirhead, AIC Scotland's policy manager, gave evidence to the Scottish Parliament on the Retained EU Law (Revocation and Reform) Bill on 24 November. Ian joined representatives from across the food and farming industry in answering questions from MSPs on the Constitution, Europe, External Affairs and Culture Committee in Holyrood.

During the session, the AIC made clear that while review of retained EU Law is welcome it was not feasible to conclude this work by end of 2023. Ian told the Committee: "The arbitrary timescales and sun-setting clauses creates an unnecessary and unacceptable risk of there being a hole in legislation if it was not replaced, revoked or reformed with something similar so that obviously would then have an impact on animal health and welfare regulations and creates risks from a biosecurity point of view.

"If there was a failure, due to the timescales set out, to ensure minimum standards for food and feed safety, that would have major business and trade implications, particularly for our feed producing Members."

Watch the video on the [AIC website](#)



**Ian Muirhead,**  
AIC Scotland Policy Manager

**aic**  
**AGRIBUSINESS**  
**CONFERENCE**  
**2022**

**AIC Agribusiness conference: Cautious optimism that agri-food supply chain can manage disruptive shocks**

At a packed AIC Agribusiness conference, 68% of delegates agreed or mildly agreed that the agri-supply sector was in a strong position to manage the key shocks and disruptions in the supply chain in the coming years.

Given the significant economic and practical shocks that have taken place since the pandemic, this outcome was testament to the resilience of businesses across the supply chain. But there was no doubt that there is room for significant improvement, both in practical policy and political stability.



**Change presents challenges, but is necessary**



In his first address to the sector, the Farming Minister reiterated Defra's commitment to rolling out ELMS, emphasising the opportunity that the government believes this transition represents, but accepting that "change always presents challenges for businesses".

**Mark Spencer**  
 Farming Minister



**DIT needs to get behind agriculture**



"We need the Department of International Trade (DIT) to get behind agriculture when it comes to competitiveness and to make sure that when entering into trade agreements that UK agriculture and what it can provide is not overlooked. We should expect our negotiators led by their political leaders to find the opportunities that will assist growth in competitiveness".

**Robert Sheasby**  
 AIC Chief Executive



**Agriculture needs clarity on carbon**



Tom Bradshaw was pleased that the Minister recognised the need for a food strategy, but needed to see a plan of how to bring this to life. Both AIC and the NFU called for clarity on carbon which is going to play such a significant role for productivity, competitiveness and the environment – never mind reputation.

**Tom Bradshaw**  
 NFU Deputy President



## An insatiable protein demand



"Protein demand is still growing at an insatiable rate, along with the global population. But the UK imports £58bn of food and has the 3rd largest food deficit in the world". In his experience, the UK Government has not engaged, while in other export focussed countries there is a deep-seated government involvement in trade.

**Allan Wilkinson**  
Head of Agrifoods  
HSBC UK



## Farmers are "click-bait" for FT readers



Judith Evans confirmed what many in the sector already suspect, that agriculture only hits the headlines when something goes wrong. Surprisingly, she also said that, in her experience, farmers were "click bait", and not always in a positive way, but there is a genuine interest from consumers in what they want their food sector to become.

**Judith Evans**  
Consumer Industries Correspondent  
for Financial Times



## The power of strong rural relationships



Mairi Gougeon presented a clear vision that Scotland wanted to be a global leader in sustainable and regenerative agriculture. She said it was evident that the relationship between government, farmers and wider stakeholders was "much closer than at Westminster", with policies designed to deliver the vision but avoid cliff edges for business.

**Mairi Gougeon**  
MSP, Cabinet Secretary for  
Rural Affairs & Islands, Scotland



## Sustainability with a focus on farmers



The message was very similar from Lesley Griffiths, with a focus on farmers delivering sustainable food production with the Agriculture Wales Bill. The Bill aims to keep farmers on the land. It was introduced in September and is currently making its way through the Senedd.

**Lesley Griffiths**  
MS, Cabinet Secretary for Energy,  
Planning and Rural Affairs, Wales



## The effect of carbon scrutiny on exports



Brent Babb provided the conference with an insight into the enormous US Soybean sector, where the US exports 70mt, of which more than 50% goes to China. He anticipates exports to Europe "will increase as great scrutiny is placed upon carbon footprint, where US production has the lowest global footprint".

**Brent Babb**  
Regional Director EMEA for the US  
Soybean Export Council



## The business of buying habits and behaviour



Demonstrating that supermarkets know a huge amount about customer buying habits, which impacts hugely on the supply chains, Gavin Hodgson stated "Farmers need to be more focused on the end customer when making decisions on farm. We need a Clarksons Farm for each farm type."

**Gavin Hodgson**  
Director of Agriculture, Horticulture  
and Aquaculture at Sainsbury's



## The need to increase the industry's profile



"There are significant challenges ahead and there is a need for better planning, better policy and a focus on thriving not just surviving, but there is much we can be optimistic about, and we should grasp our future - it is in our hands".

**Chris Guest**  
AIC Chair



## With thanks

AIC would like to extend its thanks to all the delegates that attended this year's Agribusiness conference. It was fantastic to see you all there and to have the opportunity to engage with you all on the subjects that really matter to our industry. I would also like to thank all sponsors for their support for Agribusiness 2022.

**John Kelley**,  
AIC Chief Operating Officer,  
Managing Director AIC Services



## Digital Grain Passports - a drive for greater clarity

Over the past 10 years, AIC has supported the principle of developing a Digital Grain Passport. Reflecting Member feedback, AIC has relayed a significant number of concerns to the AHDB. Regrettably, many answers lack sufficient detail and clarity.

AIC's position is that satisfactory answers should be provided as a matter of urgency, and a final decision on whether to progress the scheme should be deferred in the meantime. AIC remains an engaged and constructive partner of the Cereals Liaison Group, willing to work with all other stakeholders, including the AHDB, on finding a workable solution.

Elsewhere, the AIC continues to engage with COCERAL and other EU members in relation to the Ukraine conflict, ensuring information sharing regarding the grain corridor and ongoing relations. It was welcome that another 120 day corridor agreement was announced by the UN in mid November.



**Rose Riby,**  
Head of Sector Arable

## Visit yields valuable engagement with Defra's plant health and variety team

AIC was pleased to organise a visit with Defra plant health and variety colleagues to Agrii's seed processing facility at Finmere in Buckinghamshire. The visit encompassed a full site tour and a discussion of the key issues facing the seed sector. Focuses included productivity, research and development and the UK market following the EU exit.

The expected fee changes in Great Britain and Northern Ireland variety listing (GB/NI VL) and plant breeders rights (PBR) have now been published by APHA, as well as seed certification fees. The proposals increase fees across many sectors, some of which are significant, from 9 January 2023. A six week consultation has been launched.

Defra, Scottish Government, Welsh Government and DAERA are developing a UK five year PVS strategy. The work will include engaging with industry and other stakeholders to set out a framework giving a shared vision, clear priorities, and actions to achieve these.



**Rose Riby,**  
Head of Sector Seed

## AIC Responds to Defra call for evidence on methane-suppressing feeds

Defra's call for evidence on methane-suppressing feeds has provided an opportunity for AIC to highlight technologies available to feed companies and their livestock farming customers including feed formulation, feed production technologies, and feeding practices.

AIC's response focussed on effective assessment of claims for methane-suppressing feed materials. For feed additives, a full risk assessment is required and a recent amendment enables claims to be made for zootechnical additives that 'are used to affect favourably the performance of animals in good health or used to affect favourably the environment'. This process would assure users that the claims made for products in this category can be substantiated.

AIC believes the uptake of these technologies would depend upon them improving production levels and successful suppression of methane emissions. Financial incentives will also influence the extent of adoption.

AIC also considers that transfer of information from FAR advisers to their farming customers will be a vital element in driving down methane emissions.



James McCulloch,  
Head of Sector Animal Feed

## AIC secure continued use of European DRTs

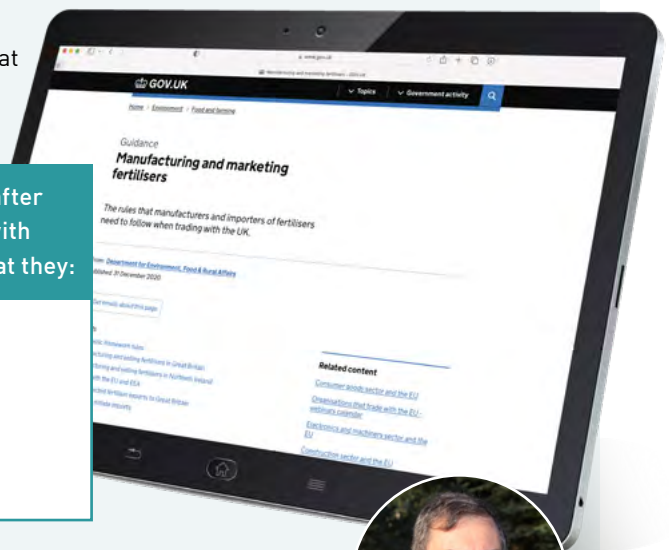
The UK adopted the EC 2002/2003 fertiliser regulations as the UK fertiliser regulations when we left the EU. This means Members must ensure that imports of fertiliser are correctly labelled under the UK regulation after December 2022.

[The regulations](#) also specify that detonation resistance test (DRT) certificates issued after December 2022 are obtained from UK laboratories.

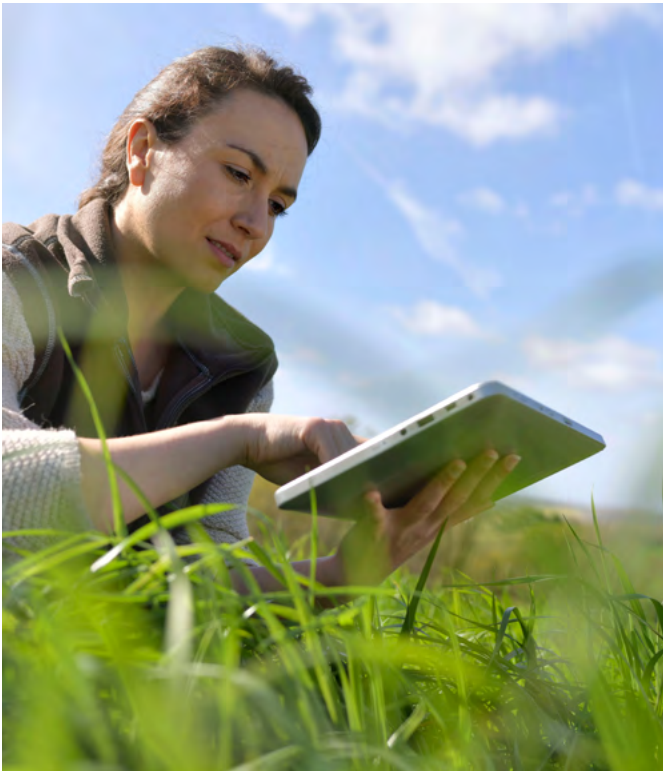
AIC has intensively lobbied Defra during the last two years, asking that these requirements are amended to allow DRTs from any European laboratory to be recognised too, and Defra has now agreed.

With regards to labelling of imports of pre-packaged fertilisers after December 2022, Defra has informally agreed to accept imports with Fertilizing Products Labelling (a sticker will suffice), provided that they:

- Are in English
- Have the statutory nutrient declaration somewhere on the bag
- Have the producer or UK importer details on the bag
- State 'UK fertiliser' on the bag



Jo Gilbertson,  
Head of Sector Fertilisers



## AIC bridging the gap in product authorisations

After horticulture and potato AHDB levy payers voted to discontinue their levy, AIC focused on ensuring service provision to cover essential Extension of Authorisation for Minor Use (EAMU) and Emergency Approval (EA) work. In February 2021, AIC contacted ministers across the UK outlining the risks of no provision and followed up on these concerns in early 2022.

Reassuringly, the AHDB Board will transfer surplus levy funds to Horticulture Crop Protection Ltd (HCP) to continue this work. AIC will be closely following discussions on HCP's structure and operation.

In October, a minority of countries blocked EU's glyphosate approval for a further year. The matter will now go to an appeals process.



**Hazel Doonan,**  
Head of Sector Crop Protection

## Membership Panel Review 2023

AIC's Board is reviewing its current Membership Panel participants in accordance with AIC's terms of reference.

The Membership Panel comprises of five AIC Members, one representing each sector. Members need to have been full Members for at least three years and cannot also be Members of the AIC Board.

If you are interested in this role, please contact Tracy Smith to register. AIC's Board will confirm the new panel at its January Board Meeting.



**Tracy Smith,**  
Membership Manager

### Dates for the diary

**AIC Cymru** – 13 February 2023

**AIC Scotland** – 26 or 27 April, date TBC in due course.



Agricultural Industries Confederation Ltd  
First Floor, Unit 4 The Forum,  
Minerva Business Park,  
Lynch Wood, Peterborough, PE2 6FT.

Tel: 01733 385230  
Email: [enquiries@agindustries.org.uk](mailto:enquiries@agindustries.org.uk)

