

JOURNAL

Summer 2021 | Working in support of modern, sustainable, commercial agriculture

Politics and policies

An update from AIC Chief Executive Robert Sheasby

Action on sustainability

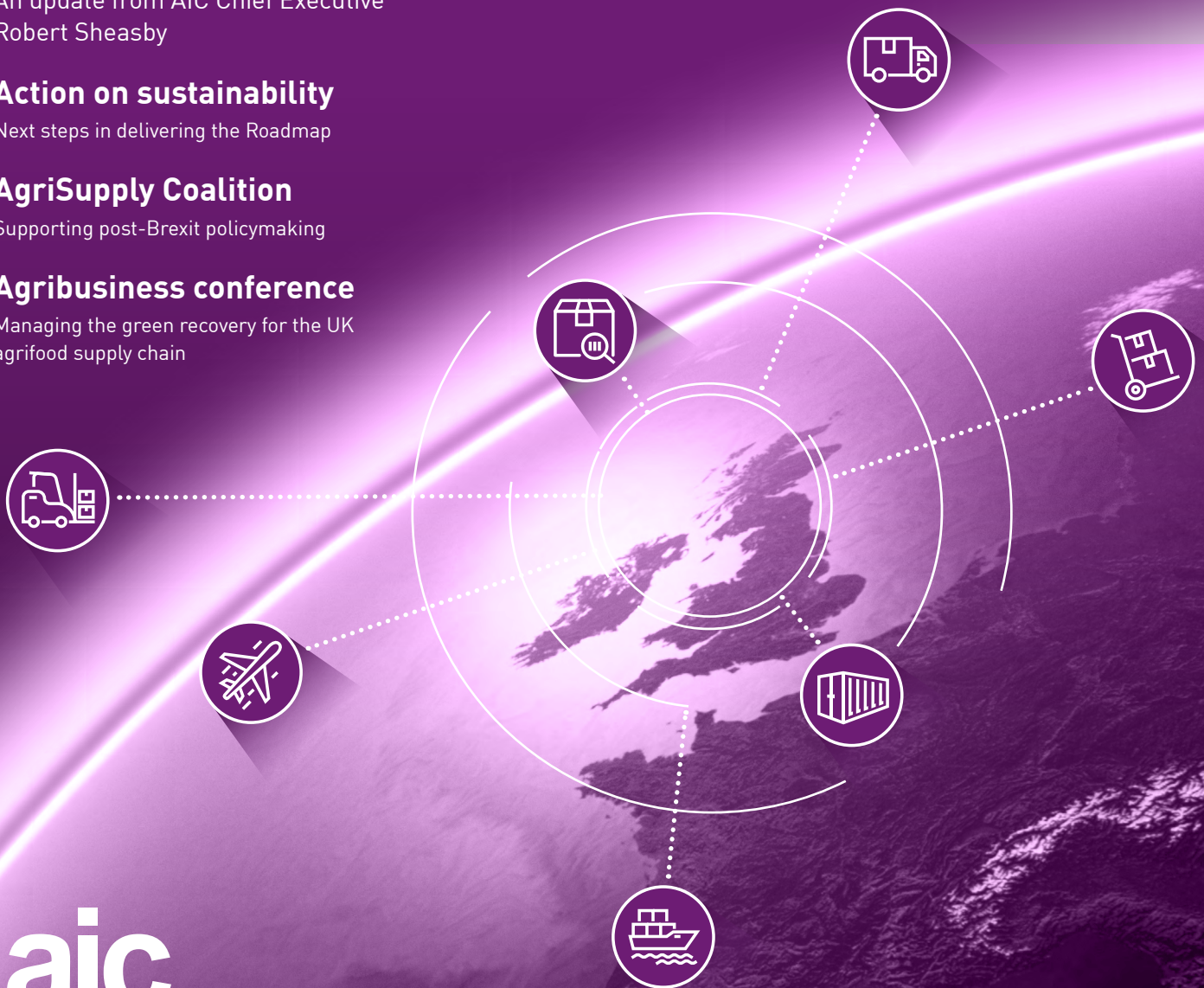
Next steps in delivering the Roadmap

AgriSupply Coalition

Supporting post-Brexit policymaking

Agribusiness conference

Managing the green recovery for the UK agrifood supply chain





An update from AIC Chief Executive Robert Sheasby

So far, 2021 has been dominated by trade issues and Covid-19. AIC has pushed on, working on the behalf of Members to positively influence policy and the industry's direction.

AIC is increasing its focus on issues that will affect Members over the next 10 years, at both a policy and practical level. Our work is underpinned by three pillars; competitiveness, productivity, and environment. Combined, these pillars enable the agri-supply industry to demonstrate and work towards greater sustainability.

The Henry Dimbleby National Food Strategy, commissioned by the Government, is expected to be a heavy report. Meetings with Henry Dimbleby and his team have provided key input and understanding on how agribusinesses operate in the supply chain. Whatever the report ultimately contains, we will ensure that politicians understand the effects of their decisions on future policy for the wider food supply chain.

The AIC Roadmap for a Sustainable Food Chain continues to support our lobbying messages to all devolved governments, demonstrating the important role that agribusinesses will play, in providing the solutions to achieving a net zero economy.

Policy update

Despite ongoing trade concerns with the EU, AIC has driven a number of successful lobbying outcomes in the past quarter. First, AIC played a pivotal role in debates over *Plant Health Regulations 2021* in both Houses of Parliament. AIC has a number of concerns on fees for seeds, costs per consignment, non-tariff barriers, and issues for the internal market and hauliers. We are providing the Government with further overall guidance.

I am grateful to the Agricultural Industries Confederation for its briefing ... How does the department expect to work with EU counterparts to balance the priorities of removing non-tariff barriers going forward, wherever possible, while minimising biosecurity and plant health risks?

Baroness McIntosh of Pickering

AIC urges the UK and EU to work together to balance the priorities of removing non-tariff barriers where possible, while minimising biosecurity and plant health risks.

Baroness Ritchie of Downpatrick

Another lobbying victory was the news that UK tariffs on imported molasses, which are higher than those of the EU, will be suspended from 20th May. After four months of lobbying on the subject, the Government has agreed with AIC's position and finally removed the tariff. This is an important saving for AIC Members and their customers.



Edward Barker,
Head of Policy and External Affairs

AgriSupply Coalition

Joining forces with eight other agri-supply trade associations has ensured AIC's issues are being heard and taken account of, across the various policy departments of Defra and other ministries. The Coalition is one of only three industry groups from the agriculture sector with which Defra regularly engages.

Every month, the AgriSupply Coalition meets via Zoom with a range of government specialists to focus on specific issues pertinent to the agricultural supply industry, with issues ranging from Covid-19 to the Northern Ireland protocol.

Officials from a range of directorates gain practical commercial insight and support as post-Brexit policies are devised and implemented. With policies being devised on agri-environment schemes, climate change, farm productivity and sustainability; Defra values the trade associations' ability to provide insight of day-to-day practice.

Reflecting the importance that the Government attaches to the Coalition, Defra minister Victoria Prentice attended the meeting in January. The Coalition was encouraged by the Minister's awareness of the agri-supply industry.

AgriSupply
COALITION
advice + inputs + services + trade

Action on AIC's Sustainability Roadmap

In the AIC's Roadmap for a Sustainable Food Chain, we have committed to working with policy makers and the food chain on industry-wide metrics and Key Performance Indicators (KPIs) for sustainability as part of a future food strategy. Our objective is to agree clear routes to achieve this ambition and for new skills and understanding to be adopted within the next five years.

This means a clarity of standards and assessment for all key aspects of farm inputs:

- Raw material sourcing (scope 1)
- Production and distribution to the farm gate (scope 2)
- Influence on farm practice and KPIs within the farm gate (scope 3)

Calculations for carbon footprints for providing fertilisers to the farm gate can be made using the Fertiliser Europe calculator/Carbon Trust. For animal feed, the Product Environment Footprint (PEF) tool can be used, and AIC aims to produce a UK dataset to show the relative differences between feed materials/ingredients and refine these values over time as more UK farm production data comes on stream.

National 'emission factors', based on the UK Greenhouse Gas Inventory, will also be used to help refine the carbon footprints of feed and forage crops, and will need to be reflected in all carbon accounting.

Carbon is only part of the story. All elements must be addressed when looking at future farm sustainability metrics, including Nitrogen Use Efficiency and Feed

Conversion Ratios supported by a renewed focus on soil and animal health, the right selection of plant and livestock genetics, IPM, and new market and policy incentives in successful combinations.

Ahead of the COP26 Summit, the Global Farm Metrics framework is gaining political traction. We are working to ensure that AIC's and other data holding platforms will be compatible with a common approach agreed by governments, investment banks and key players in the food chain.

AIC is working closely with AHDB and others to hold regular food chain discussions with processors and retailers. All the parties involved are now getting close to agreeing a handful of leading KPIs according to farm type. A more integrated approach to farming systems and landscape management will naturally affect us all.

AIC's policy sector and AIC Services are working on proposals to support Members to self-audit/score their products and company against sustainability goals, in alignment with the ambitions of the Sustainability Roadmap. We will be seeking Member input and views to inform this work.



Jane Salter,
Head of Environmental Policy



Plant Health Fees

The seed industry continues to face challenges and new ways of working following EU Exit, and AIC is supporting Members by providing information and political challenge.

Fees for plant health checks began on 1st June, as part of Defra's commitment to 'full cost recovery', and include documentary, identity, and physical inspections on 'high-priority' plants imported from the EU (and Switzerland and Liechtenstein), and documentary checks for regulated plants and plant products. Fees for identity and physical checks on the remaining (not 'high priority') regulated goods will be applied from 1st March 2022.

There has been some concern from Members over how the fees are to be paid. Defra has confirmed an invoice is triggered upon submission of the advanced notification of landing (via PEACH). Invoices are issued every week and goods are released independently of the status of the invoice, so delays should not occur.

In May, AIC highlighted to Lords and MPs the significant pressure faced by the seed sector due to changes from EU Exit, in particular the plant health check fees. AIC engagement over many months has resulted in a positive outcome for trial seed, where higher fees will now no longer be charged.

Under the Movement Assistance Scheme there should be no charge for phytosanitary certificates for seed going to Northern Ireland. AIC continues to highlight that there are other significant costs involved, such as inspector time and sampling. Defra have noted these and will include them in the review of the scheme's future scope.



Catherine Barrett,
Sector Head Arable Marketing and Seeds

New On-Farm Grain Traders iLearning 2021

The 2021 edition of the AIC On-Farm Grain Traders iLearning launched in May. This online learning course for grain traders is an AIC Member benefit, and will help Member businesses to support staff development as well as demonstrating an industry standard of knowledge.

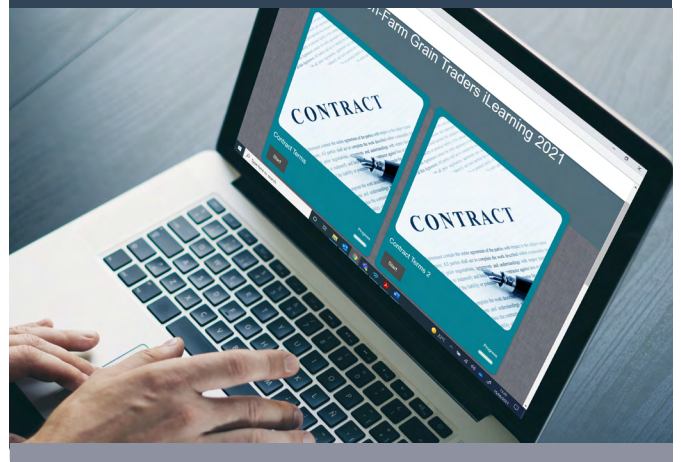
The iLearning focuses on contract terms and necessary knowledge around grain procurement and the market. Candidates are required to correctly answer a minimum of 25 out of 32 multiple choice questions, over five sections:

1. Contract Terms
2. Contract Terms 2
3. Grain Procurement
4. Market and Industry Structure
5. UK Crop Production

The content is targeted at ensuring candidates are well versed in the necessary steps when engaging with farmers on contracts and possess knowledge of market requirements.

The iLearning is not timed. Candidates are strongly encouraged to research and discuss areas about which they are unsure. For example, it is essential to have access to the AIC contracts available on the AIC website. The iLearning can be taken twice and successful completion will result in an emailed certificate.

The iLearning is already proving popular, and a high take-up is expected. Members are encouraged to take advantage of this course before the new crop season. To register for access, email candidate names to Debbie.walker@agindustries.org.uk



New GB PPP regime offers potential

Following EU Exit, the UK has the opportunity to develop an independent Plant Protection Products (PPP) regime, with decision making based on data and scientific rigour.

Active substance approvals due to expire before December 2023 in GB have now been extended for three years to allow time to plan and implement the GB PPP review programme. EC MRLs remain valid until they are amended by GB.

There are concerns across the industry about the costs of operating the GB PPP regime, including registering and assessing products, access to the Northern Ireland market, and uncertainty about access to tools needed to implement IPM. This concern is particularly high in the horticulture sector where the costs of continuing to access the UK market may become uneconomical for some manufacturers due to the smaller market size compared to broad acre crops.

The Government's aim is that the revised National Action Plan (NAP) should minimise the risks and impacts of PPPs to human health and the environment, whilst ensuring pests and pesticide resistance are managed effectively.

In our response to the NAP, AIC highlighted that costs, whether direct or indirect, of the GB PPP regime should not be a barrier to the availability of innovative products or impact on the delivery of IPM.

AIC continues to emphasise this to CRD and Defra and is working with industry stakeholders to ensure growers have continued access to key products and innovative tools for sustainable farming.



Hazel Doonan,
Head of Sector Crop Protection

Revisions to GB Fertiliser Regulations expected

The Government's response on its consultation on reducing ammonia emissions from solid urea fertilisers is expected soon. We understand that as a result of AIC lobbying, the remodelling may indicate a better cost benefit ratio for the use of inhibitors than previously indicated.

Defra has also prioritised the revision of the GB Fertiliser Regulations (1991) following EU Exit, given the UK's reliance on fertiliser imports. Defra has been consulting with AIC and other stakeholders in its evaluation of the new EU Fertiliser Products Regulation (FPR), EC 2019/1009 as a basis for a new UK regulation covering organics and digestates, and mineral fertilisers.

The framework is a good approach but the detail, especially relating to labelling, is not. AIC will work closely with Defra to deliver an approach that works for

the UK market and our Members. It will also resolve the fundamental concern relating to where Detonation Resistance Tests may be conducted. The option exists within the assessment framework to allow any ISO laboratory to be used, unlike the current transitional arrangements which restrict the choice.



Jo Gilbertson,
Head of Sector Fertilisers

EU PAP Proposals for Pig and Poultry Feed

The EU Commission has published a draft regulation amending the regulations which prohibited the feeding of non-ruminant farmed animals, other than fur animals, with protein derived from animals.

One part of the proposed amendments is for the use of porcine Processed Animal Proteins (PAPs) in poultry feed and avian PAPs in pig feed. This is comparable to the rules established in 2013 for the re-authorisation of pig and poultry PAPs in fish feed.

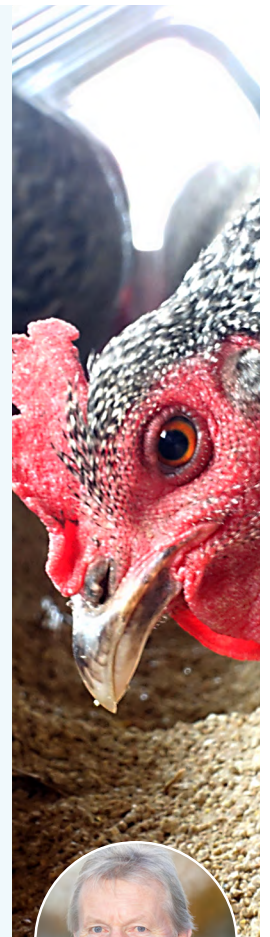
Secondary proposals are for the lifting of restrictions to enable the use of former foodstuffs containing ruminant gelatin in non-ruminant feeds and the lifting of restrictions to enable the use of insect PAPs in pig and poultry feed.

These proposed amendments to the EU legislation do not form part of the retained EU legislation adopted by the UK on 1st January 2021, though when they come into force, they will be applicable in Northern Ireland.

On the use of porcine and avian PAPs, AIC takes the view that any re-authorisation in the UK would not immediately result in widespread and large-scale reuse of processed animal proteins. The successful reuse of non-ruminant PAPs in pig and poultry feed depends on four parameters:

- The acceptance of this practice by the food value chain partners and stakeholders, from livestock farmers right through to consumers.
- The ability and willingness of all operators along the chain to comply with all the legal requirements as set out in the EU proposal and to bear the costs.
- The competitiveness of pig and poultry PAPs.
- The fitness of analytical control tools and interpretation of results.

AIC has expressed support for the use of insect protein in pig and poultry feeds and for the use of former food products containing ruminant gelatin in non-ruminant feeds.



James McCulloch,
Head of Sector Animal Feed

Influencing Scottish Agri Policy

AIC Scotland continues to represent the interests of Members in Scotland on a wide range of issues. Most recently, following engagement with Dave Doogan MP, a number of important issues were raised by him in Westminster debates, including tariffs for molasses.

Speaking during a meat and dairy debate in Westminster Hall Dave Doogan MP said:

I recently met with AIC to discuss the key challenges for the sector. Top of the list was the EU exit, including the new tariff on molasses expected to add £1 – 1.2 million in extra costs for the sector. DEFRA are aware of the issue but need to find a resolution.

Following a number of interventions, AIC can confirm that this tariff has now been removed.

In other news, Fergus Ewing MSP has stood down as Cabinet Secretary for Rural Affairs and is succeeded by Mairi Gougeon MSP. AIC Scotland hopes to be able to meet with the new minister and officials to discuss AIC Member concerns including the development of common frameworks for feed and pesticide regulations and the positive role that gene editing technology can play in Scottish agriculture.



Dave Doogan, MP



Ian Muirhead,
Policy Manager, AIC Scotland

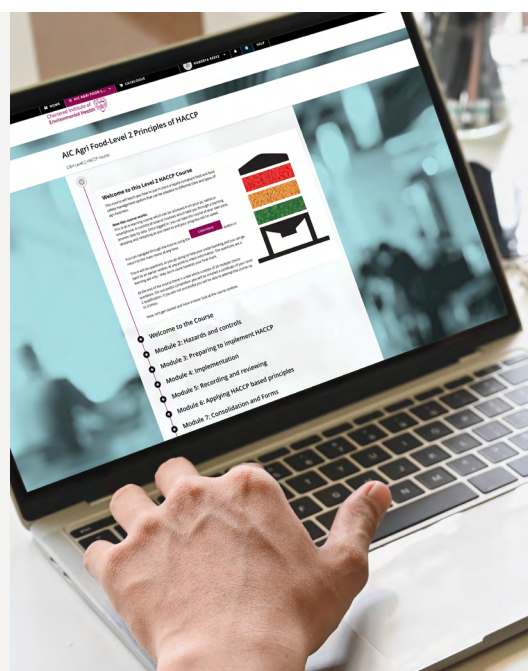
Online HACCP Training for Agri-Food

AIC Services has launched an online e-learning course: AIC Level 2 Principles of HACCP for Agri-Food, to help agri-food businesses meet their legal obligations regarding HACCP, extend HACCP awareness in all departments, and support internal training and development.

This course has been designed specifically for those in the agri-food sector, including feed, crops for feed and food, and all types of businesses from feed mills to merchants, stores and transport companies. The course content was developed following consultation with AIC Members and trade assurance participants, in conjunction with the e-learning platform operator, Chartered Institute of Environmental Health (CIEH), and includes sector-relevant examples and illustrations.

The course is modular and can be accessed on a PC, tablet or smartphone. The full course can be completed in around two hours, but candidates can progress through the modules in smaller chunks, when convenient, and fitted around other work commitments.

Questions throughout the course check the candidate's understanding and, upon successful completion of a final multiple choice test, leads to an accredited certificate of qualification in Principles of HACCP Agri-Food, Level 2.



The course fee is £35 + vat per person. Companies with full AIC membership are offered one place, free of charge. For further information and registration, please contact Roberta Reeve on 01733 385244 or via roberta.reeve@agindustries.org.uk

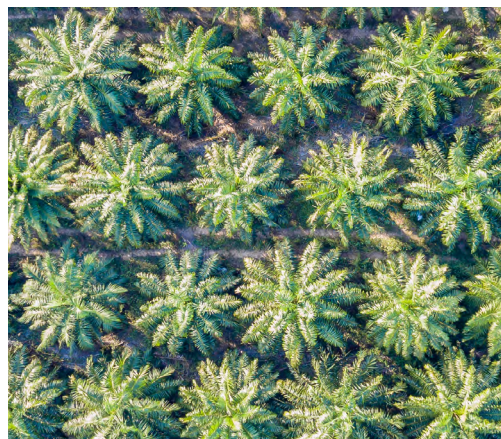
Palm Oil Credit Scheme

Palm oil production is often linked to deforestation and exploitation, and there is currently insufficient sustainably-produced palm oil available worldwide to fulfil demand. Many AIC members are already individual members of the Roundtable on Sustainable Palm Oil (RSPO) which requires an annual membership fee and completion of an annual audit.

The AIC Services Palm Oil Credit Scheme (APOCS) offers Members and feed scheme participants who use small volumes of palm oil, or who do not want to join RSPO, with a convenient way of supporting production and use of sustainable palm oil and derivatives.

The RSPO operates supply chain certification of palm oil by various models, one of which is the book and claim system of RSPO Credits. These offer a means for businesses to offset their use of non-sustainably produced palm oil and thereby generate a market demand and support for sustainable material.

An RSPO Credit is proof that one tonne of certified palm oil was produced by an RSPO certified company or independent producer and has entered the global palm oil supply chain. By purchasing credits, buyers encourage the production of certified sustainable palm oil and improve the sustainability credentials of their business with retailers and consumers.



APOCS participants allow AIC Services to act on their behalf to purchase RSPO credits, maintain records and complete annual audit obligations.

To discuss APOCS further, contact Roberta Reeve on 01385 730244 or via roberta.reeve@agindustries.org.uk



Roberta Reeve,
Technical Manager

FAR Feed Advisor Tool success

The FAR Find a Feed Advisor Tool which connects customers with businesses who provide feed advisors is celebrating its first birthday.

The majority of Members have now signed up to use the tool and since its launch a year ago, it has provided farmers with a hassle-free UK, Northern Ireland and Ireland search facility, helping them to find the feed adviser they need by species and county.

Any Members who have not yet signed up are encouraged to do so. For more information contact David Moss on 07585 323943 or via david.moss@agindustries.org.uk



David Moss,
Technical Manager

Packaging costs likely to rise

AIC has responded to the government's Extended Producer Responsibility for Packaging proposal, which is planned to replace the existing Packaging Waste Regulations from 2023/4.

Members who are brand owners of goods or import filled packaging need to be aware that EPR, in its proposed form, will entail significant cost increases for the packaging they use compared to the current shared responsibility system.

AIC will arrange a webinar to provide further information on this issue and we encourage Members to consider how they can best reduce packaging usage and increase recyclability wherever possible.



Andrew Pearson,
Policy Manager



Agribusiness

The AIC Conference

17th November 2021

Managing the green recovery for the UK agrifood supply chain

Planning is well underway for this year's conference with several high-profile speakers already signed up.

Following the success of the first online Agribusiness event in 2021, this year's event will be virtual and we will be introducing new capabilities on the platform to make it easier to network and have conversations with other delegates.

Please save the date, 17th November, as we look forward to discussing a topic that impacts all agri-supply businesses.

Further details to be announced.



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

Update your email preferences



The new AIC website allows Members to update contact details and indicate which Member briefing topics you would like to receive. Members need to log in to the website to access their information.

Once logged-in, clicking on 'edit profile' enables you to amend your personal contact details, and the contact preferences tab allows you to select your interests, preferred opt-ins and contact preferences for AIC communications. Any changes will automatically update the AIC database.

If you have any queries or need assistance, please contact Tracy Smith via tracy.smith@agindustries.org.uk



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