

Food and Beverage Brexit update

29 days prior to the end of the Brexit implementation period

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Agenda

1. Labelling for Great Britain, Northern Ireland and the EU

- Health and identification marks

- Organic regulations

- Country of origin references

- Product protection

2. Importing and exporting your product:

- Organic foods and certificate of inspection

- Country of origin references and tariffs

- Protected designations

- Certifications and documentation: Export Health Certificates, border inspections and logistics considerations

3. Trade deals, the UK internal market and the impact of the US election

4. Summary

Labelling



Placing products on the market in the UK and EU

- Food of animal origin placed on the UK or EU market before 1 January 2021 can continue to circulate within the UK and EU market without labelling changes
- Food of non-animal origin placed on either the UK or EU markets before 1 January 2021 can continue to circulate both in the EU and UK markets without labelling changes
- In the Withdrawal Agreement, a good is 'placed on the market' in the EU, when it is first supplied for distribution, consumption, or commercial use, whether free of charge or not



Labelling food placed on the EU market following 1 January 2021

All food will have to follow EU Legislation

Address:

Pre-packaged food and caseins must have an EU or NI address for the FBO, or an address of the EU or NI importer on the packaging or food label

- You can continue to use an EU, GB or NI address for the FBO on pre-packaged food or caseins sold in GB until 30 September 2022
- From 1 October 2022, pre-packaged food or caseins sold in GB must include a UK address for the FBO. If the FBO is not in the UK, include the address of your importer, based in the UK

EU Emblem:

- This shouldn't be used on any food produced in Great Britain from 1 January 2021 without permission



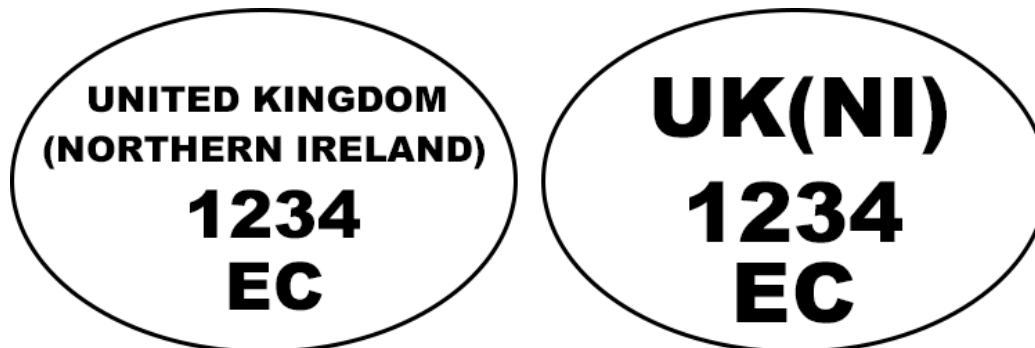
Health and identification marks

These must take the new format as shown in the UK Government guidance







FSA approved businesses in Great Britain



FSA approved businesses in Northern Ireland



Product protection

Protection	GB		EU	
Protected Designation of Origin (PDO)				
Protected Geographical Indication (PGI)				
Traditional Speciality Guaranteed (TSG)				

PDO, PGI and TSG Protection from 1 January

- All UK products registered under the EU scheme before 1 January 2021 will remain protected under the UK Scheme
- New products produced in GB wanting protection will need to apply for protection under the UK scheme. Protection will be needed under the UK scheme before protection can be applied for under the EU scheme
- NI producers can apply to the EU scheme for protection in NI and the EU before applying for protection under the UK scheme
- From 1 January 2021 all UK protected geographical indications registered under the EU Geographical Indication (GI) schemes by the end of the transition period will continue to receive protection in the EU
- Producers or retailers of food and agricultural GI products produced and for sale in GB and registered before 1 January 2021, will have until 1 January 2024 to change packaging and marketing materials to display the new UK GI logos



Focus on specific food categories sold in the UK

Minced meat:

- References to EU and Non EU do not need to be changed until 30 September 2022
- After that where specific countries are not referred to the labelling must change to UK and Non UK

Fruit and vegetables:

- References to EU and Non EU do not need to be changed until 30 September 2022
- From 1 October 2022, you must use 'non-UK' or 'UK and non-UK' when the label does not list each country of origin
- If you're part of the Approved Trader Scheme, you must remove the EU emblem from your UK food labels and use the replacement GB label from 1 January 2021. You can sell existing stock with the EU emblem on only in GB, until it runs out

Olive Oil:

- If your extra virgin or virgin olive oil is a blend of oils from different countries, the label must contain one of the following:
 - a list of each country of origin
 - the statement 'blend of olive oils from more than one country' or similar wording
 - the name of the trading bloc to which a regional trade agreement applies, for example 'blend of olive oils of European Union origin'

Focus on specific categories

Honey:

- For honey blends sold in England and Wales until 30 September 2022 you can use one of the following:
 - ‘blend of honeys from more than one country’ (or similar wording)
 - ‘blend of EU honeys’
 - ‘blend of non-EU honeys’
 - ‘blend of EU and non-EU honeys’
- If you continue to use EU terms, you must ensure your label is accurate. For example, from 1 January 2021 a blend of UK and French honey placed on the market in England and Wales would either need to list both countries or use the words ‘blend of EU and non-EU honeys’ as the UK is no longer part of the EU
- From 1 October 2022 you must use ‘blend of honeys from more than one country’ (or similar wording) if you decide not to list each country of origin



Importing and exporting



The regulations as they stand

- The EU regulations are not going to change and the UK will be taking a snapshot of those before the end of the transition period and amending them such that they operate outside of the EU Framework
- When it comes to importing food products there are three basic types:
 1. Products of animal origin
 2. Composite products
 3. Food of non-animal origin
- These are all covered by basic regulatory requirements
 1. General Food Law Regulations 178/2002 especially
 - a) Article 11: Food and feed imported into the Community
 - b) Article 14 Food safety requirements
 2. Regulation 852/2004 on the hygiene of foodstuffs

The UK variants can be found at legislation.gov.uk



Specific regulations regarding the import of food/feed into the EU from third countries

- Products of animal origin (POAO)
Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products –
- Food Not of Animal Origin (FNAO)
- Is also covered by Regulation (EU) 2017/625
- The UK variant can be found at legislation.gov.uk

Organic regulations exporting from GB to the EU

The EU organic logo cannot be used on UK produced organic food from 21 January 2021 unless:

- Your UK control body is authorised by the EU to certify UK goods for export to the EU
- The UK and the EU agree to recognise each other's standards (called 'equivalency')
- If the UK does not reach an equivalency deal with the EU, you cannot export organic food to the EU and label it as organic



Source: © European Union, 1995-2017

Organic regulations importing from the EU to GB

- You will no longer use the EU's Trade Control and Expert System New Technology (TRACES NT) to import organic food and feed
- You'll use an interim manual UK organic import system from 1 January 2021
- All your imported organic goods must have a certificate of inspection (Col). You will not need a Col if you're moving goods from Northern Ireland to GB
- To request the forms for the manual UK organic import system, contact your organic control body



Source: © European Union, 1995-2017

Organic regulations

You must not use the EU organics logo from 1 January 2021 unless:

- Your control body is authorised by the EU to certify UK goods for export to the EU
- The UK and the EU agree to recognise each other's standards (called 'equivalency')
- See the EU Requirements
- You can continue to use your approved UK organic control body logo in GB
- In GB, you must change the statement of agriculture to 'UK agriculture' or 'UK and non-UK agriculture'

Country of origin references

- Food both from and sold in GB can be labelled as 'origin EU' until 30 September 2022
- From 1 October 2022, food from GB must not be labelled as 'origin EU'
- The basic country of origin labelling references in 1169/2011 in both the EU and GB remain unchanged, being the country where the product last underwent a substantial economic change
- When it comes to tariff rates however there is a notable change:
The country of origin being that which makes the greatest financial input to the product. So if you are using a relatively small amount of an expensive ingredient, that may change the origin of the product with regards to tariffs



Export health certificates

An Export Health Certificate (EHC) is an official document that confirms your export meets the health requirements of the destination country.

You'll need an EHC from 1 January 2021 to:

- Export live animals and animal products from Great Britain (England, Scotland and Wales) to the EU
- Move live animals and animal products from Great Britain to Northern Ireland
- Transit through the EU and Northern Ireland



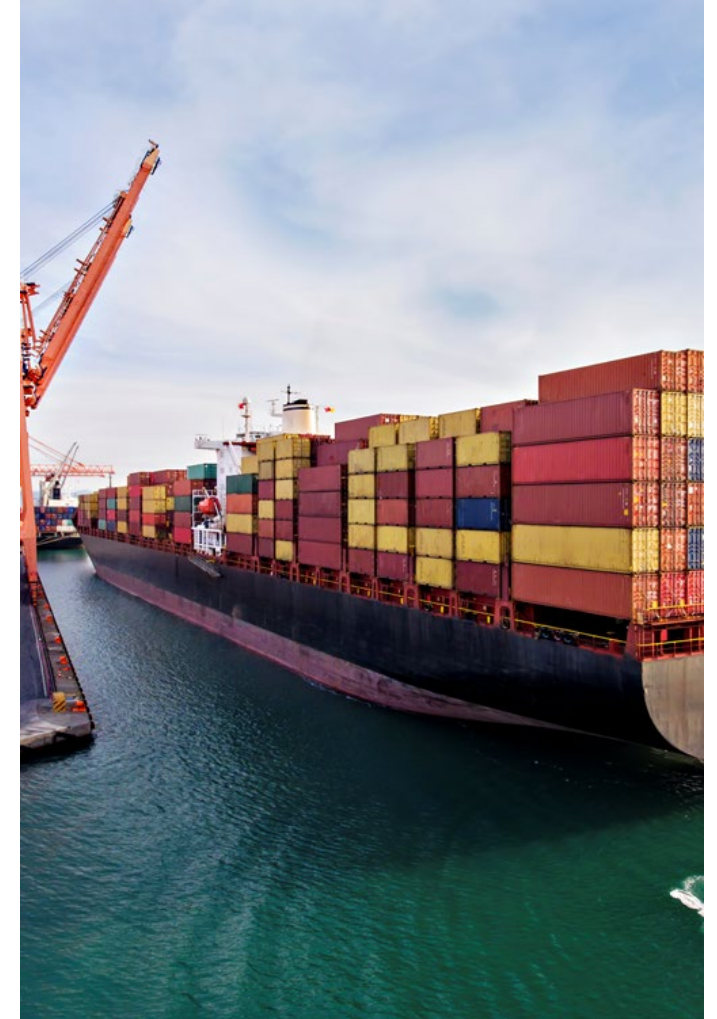
Border inspection posts

Border inspections will take place on Imports from an EU country from 1 July 2021

All Products of Animal Origin and certain Animal By-products must enter GB at an established point of entry with an appropriate Border Inspection Point from 1 July 2021

You will need to check if your product must be imported through a point of entry with an appropriate BCP by looking for the CN code for your product in:

- Annex I to Regulation 2019/2007
- Decision 2007/275/EC

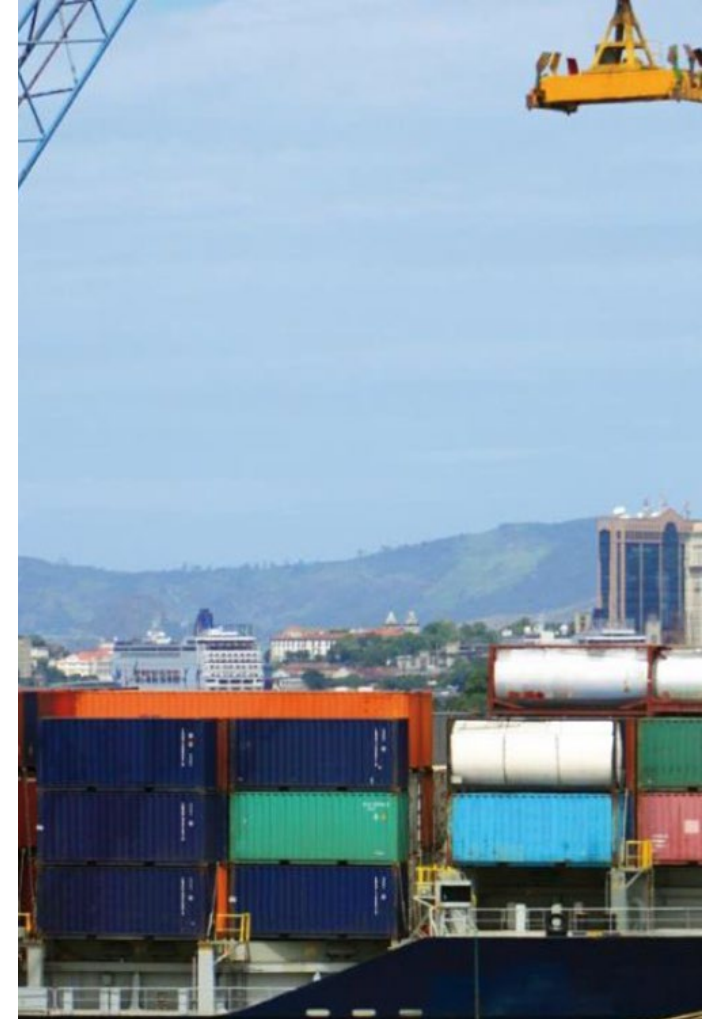


Border inspection posts

EU and EEA Designated BCPs:

Veterinary border control are seen as a key factor to ensure that the live animals and animal products entering to the European Union are safe and meeting the specific import conditions laid down in the Union legislation

Lists of designated veterinary BCPs in the EU and EEA can be found on the EU webpage



Composite foods exempt from inspection at an EU border control post (1)

This exemption applies if the following apply: -

- Made without processed meat, or meat extracts or powders
- Made with less than 50% of any other processed POAO (any dairy must come from an approved country and have undergone the correct heat treatment for that country)
- Labelled for human consumption
- Being shelf-stable at ambient temperature and securely packaged or sealed in clean containers



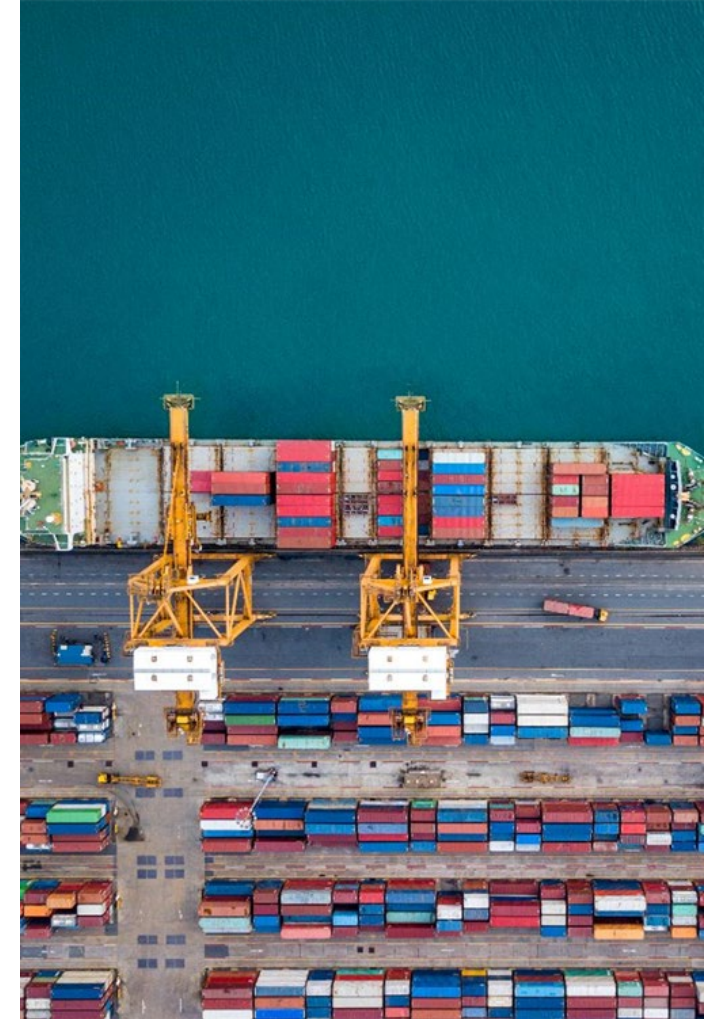
Composite foods exempt from inspection at an EU border control post (2)

A variety of composite products are exempt including:

- Confectionery (including sweets) and chocolate, heat-treated and containing less than 50% of processed dairy and egg products
- Pasta and noodles not mixed or filled with processed meat product, heat-treated and containing less than 50% of processed dairy and egg products
- Food supplements packaged for the final consumer, containing small amounts (in total less than 20%) of processed animal products (including glucosamine, chondroitin and/or chitosan) other than meat products

Logistics considerations

- Border control points may be limited to specific products so you will need to check that your current routes travel through ports/airports with appropriate border control points
- Prior to Brexit there were no BCPs in Wales. Goods coming from Ireland into Wales will need to travel to a BCP before it can be used in Wales
- The extra checks necessary at Dover will build a delay into the supply chain, this may reduce the shelf life of goods
- HGV's travelling into Europe will not be able to carry out internal shipments within the EU. Shipping from one factory to another, or other destinations



Trade deals



The UK Internal Market Bill

- The Internal Market Bill initially follows a similar route to the EU stating that any product legally made or imported into one of the members of the UK should be saleable in any other members of the UK
- The devolved authorities have seen this as a “power grab” by the Westminster parliament as it removes powers where the devolved authorities are seen as the responsible authority and have the power to pass legislation over food
- The most important parts of the bill are clauses 44, 45, and 47 which according to the Westminster Government allow them to break international law in a limited way – this hasn’t yet been approved however with the Conservative majority in parliament there is little that can stop it
- The EU has already interpreted this as a breach of the Withdrawal Agreements requirement for both parties to act in good faith, and have started action in the European Courts of Justice
- It has also been interpreted as putting the Good Friday Agreement at risk



The direction Scotland is heading in

The Scottish Parliament is in the process of passing the [UK Withdrawal from the European Union \(Continuity\) \(Scotland\) Bill \[2020\]](#)

- This Bill aims to make sure that Scottish law can continue to align with EU law after 31 December 2020
- This Bill will help Scottish law keep up with future developments in EU law after 31 December. It will also allow changes to be made to EU laws which are already operating in Scotland. This could apply to areas that are devolved to Scotland, like the environment, agriculture and fisheries
- It will give Scottish Ministers power to keep devolved laws similar to EU laws. This will be a clash with the UK Internal Markets Bill



The US Elections

- The election of Joe Biden as the president elect of the USA has indicated a big change in direction for the USA towards a more international focus
- Re-joining the Paris Accord on climate change and the World Health Organisation being on the cards
- Joe Biden has stated that there is unlikely be a US UK trade deal if anything is done by the UK that is seen as damaging to the “Good Friday Agreement”. Secondly Joe Biden has stated “We are not going to sign anything that the chicken farmers of Delaware don’t like!”, so the spectre of “Chlorine” washed chicken still remains
- With the increasing international focus being taken by the US one also has to question whether a trade deal with the UK will be given priority over one with the EU?



Trade deals already achieved and the value of trade in 2018

Country	Trade			
Andean Countries	£3.4bn			
Caribbean Countries	£3.7bn			
Central America	£1.1bn			
Chile	£2.0bn			
Cote d'Ivoire	£401m			
Eastern and Southern Africa	£2.0bn			
Faroe Islands	£252m			
Georgia	£123m			
Iceland and Norway	£26.8bn			
Israel	£4.2bn			
Japan	£29.1bn			
Jordan	£448m			
Kenya	£1.4bn		Not yet achieved.	
Kosovo	£8m		EU	£294bn
Lebanon	£762m		US	£201.6bn
Liechtenstein	£146m			
Morocco	£2.5bn			
Pacific Islands	£163m			
Palestinian Authority	\$41m			
South Korea	£14.8bn			
South Africa Nations	£10.2bn			
Switzerland	£32.4bn			
Tunisia	£542m			
Ukraine	1.5bn			

What do we anticipate happening between now and the Brexit deadline?

Deal - The UK Government rather than one single deal has been looking for individual deals to cover individual sectors, whilst the EU wants one overarching deal. The UK's aim doesn't seem to have worked so far there doesn't appear to be a deal in place. Concern is growing that what will be achieved will be BRINO.

Brexit in name only. [Ann Widdecombe claims Boris Johnson will try to hoodwink UK after Brexit 'surrender'](#)

No deal – The UK Government is trying to sell that a no deal Brexit won't be that bad “[Sunak plays down risks of 'no deal' Brexit as crunch looms](#), other people are trying to sell that there will be problems whatever “[Brexit: what happens to the UK on 31 December, deal or no deal?](#)”

The problem with a deal is that there are some people in parliament that won't accept a deal of what ever sought, similar to the election results across the Atlantic.

However the Prime Minister has such a majority in parliament that if he achieves a deal with the EU he will probably be able to get it ratified.

If the UK parliament ratifies the deal and the EU member states don't then a no deal Brexit can be sold as the EU's fault.

Summary



Summary key points to consider

Labelling

Health and identification marks: UK changes to GB, except for NI where it changes to UK(NI)

Organic regulations: Awaiting recognition of UK Regulations

Country of origin references: Remains unchanged for labelling

Product protection: UK introducing new system

Importing and exporting

Organic foods and certificate of inspection: COIs needed for UK imports

Country of origin references and tariffs: Largest financial input into product

Protected designations: New UK logos though the same terminology

Certifications and documentation: Export Health Certificates, border inspections and logistics considerations

Trade deals

UK internal market: very contentious both within the UK and Internationally

US trade deal: Dependant on new US president, US lobbying and UK Internal Market Bill

Other trade deals: 24 done so far, relatively small scale

What should you do next?

Import and export is likely to be your greatest challenge

- Registration: companies/ FBO (UK and EU); claims, additives
- Shipment documentation (e.g. EORI number(s))
- Tariff payment
- Prepared for new labelling requirements



What we're doing to support you

- We are closely monitoring negotiations, so can provide regular news updates via **Daily Food News** as things progress and speed up as the 31 December approaches – Gold and above members have you registered for our **Brexit newsletter**? Membership@leatherheadfood.com
- After 31 December regulatory divergence will inevitably take place, beyond our **Global Legal Highlights** we will be able to keep exporters and importers informed how changes effect may effect them - ask your questions via **helpline** legislation@leatherheadfood.com
- If you need support with scenario planning for your business, Leatherhead is assisting a large range of companies to navigate the maze of changes. Do get in touch at Membership@leatherheadfood.com
- From now new novel foods and nutrition and health claims need to be registered in both the EU and UK as new EU claims won't be valid in the UK and vice versa. We are **extending our service** to aid with UK as well as EU submissions. Do get in touch at legislation@leatherheadfood.com



Questions

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