

# EFRA Committee: COVID-19 and Food Supply



April 2020: Written evidence submitted by the **British Poultry Council**

## BACKGROUND

1. The British Poultry Council is the voice of the British poultry meat sector and the trade association for producers of poultry meat from chickens, turkeys, ducks and geese.
2. Our sector directly employs over 40,000 people in the UK who ensure safe, nutritious and affordable food is available for all. As an industry we contribute £5bn GVA (Gross Value Added) to the UK economy and generate £1bn in tax revenue per annum.

## SUMMARY

3. The COVID-19 pandemic has reinforced the value and purpose of food and demonstrated the importance of resilience in our food supply chains. While there have been difficulties at times – localised shortage, collapse of the food service market, spikes in demand – the food supply chain has managed to feed this country throughout this crisis.
4. British food producers have faced a number of challenges around key workers, supplies and inputs, and logistics, they are playing a pivotal role in mitigating the impacts of the pandemic and prioritising British food security.
5. This national emergency has helped reinforce the crucial role played by those working in farming and food production in delivering safe, wholesome and affordable food for the nation.
6. From farmers and vets who look after our birds, through butchers and engineers who keep our factories working, to drivers and distributors who get food to the shelves – key workers in the poultry meat supply chain are going above and beyond the call of duty to keep this country fed.
7. A billion birds are reared for meat every year, providing half the meat the country eats. The UK is one of the largest exporters of high value genetic breeding stock. Our sector relies heavily on our people, their expertise and skills.
8. The BPC continues to work closely with the Government on measures to mitigate any impact on national food security and offset the risk of a supply chain disruption.

## DEMONSTRATING LEADERSHIP AND RESILIENCE

9. As the pandemic continues to escalate, British poultry meat businesses have faced continued absence of both a significant proportion of their workers and/or roles with specific skills.
10. Our businesses have shown leadership, strength and resilience. Working with dwindling resources, our businesses have been putting new measures in place to recruit talent, energise our supply chains and inject new investment and innovation to keep the food chain moving.

11. Food security must be a national priority. We welcome the Government's commitment 'to do everything it can' to mitigate the effect of the pandemic on the productive capacity of the economy and preserve employment capabilities for those who are healthy.
12. BPC members up and down the country are delighted to receive the recognition and ongoing support from Government, regulators, retailers and wider society in their pivotal role in keeping the food chain moving and feeding the nation with food produced to British standards from farm to fork. Public shows of support from the Government and wider stakeholders have been a welcome source of motivation and encouragement for our workers.

## ROLE OF KEY WORKERS

13. Our key workers, who are the foundation of our industry, have proven to be the lifeblood of this nation in these extraordinary times. Each one of them is working incredibly hard to put food on every table and ensure no one has to go without.
14. Our sector was encouraged by the quick classification of all workers involved in food production as key workers. From those packing food to those delivering it - the Government has been responsive in ensuring that all were able to access child care and continue to work.
15. It is reassuring to hear the Government's commitment 'to do everything it can' to mitigate the effect of the pandemic on the productive capacity of the economy and preserve employment capabilities for those who are healthy. As an essential sector it is crucial that continued support is provided to key workers in order to allow them, if healthy and with no symptoms, to go to work.
16. Government must continue to do everything it can to ensure our healthy key workers feel encouraged and supported to go to work to help offset the risk of a supply chain disruption and ensure that shelves are stocked, and that vulnerable groups have access to food.
17. The pooling of resources between industry and Government, and creating trust and confidence between them, will be crucial in ensuring the continuation of food production and supply in the face of dwindling resources.
18. As the nation adjusts to the lockdown measures, we cannot run the risk of interrupting food production and limiting the nation's access to food. The joint efforts of Government and industry to keep food moving through the supply chain must be supported and celebrated.
19. The COVID-19 crisis has brought into sharp relief the importance of key workers in the poultry industry, many of whom are EU nationals, helping to feed the nation. Looking ahead, Government must ensure that food producers have continued access to key workers, including non-UK labour, so that they can continue putting food on every table.
20. Within the poultry meat sector, 60% of our permanent workforce (24,100 people) are EU nationals, and every year we have about 7,200 vacancies that need to be filled with non-UK workers. If these vacancies cannot be filled, it will have a significant impact on the production of, and therefore cost of food - all of which will pose a risk to affordability and potentially force people to go without food.

## PROTECTING OUR PEOPLE

21. In response to the rapid spread of the COVID-19, the British poultry meat industry has taken measures to protect our supply chains and our workers. This includes ensuring a heightened focus on employee wellbeing and implementing appropriate social distancing measures.
22. Our businesses and supply chain have been following Government guidance on social distancing as we stand committed to ensuring high standards from farm to fork, including employee safety and wellbeing.
23. People are our most vital asset and will always be our top priority. In instances where the production environment makes it impossible to observe the 2 metre distancing requirement, our member businesses are implementing innovative measures to protect their employees at all times, such as using screens or staggered shift working.

24. Continued availability of PPE remains a key concern for our member businesses given its surge in demand across the country. The safety of all our people is paramount at this very difficult time, which is why PPE supplies must be prioritised for food producers. Many people are unaware that food production roles, such as farm workers and processing plant staff, have always required access to PPE, even before the outbreak, in order to carry out their work. Ensuring access to this must be an integral part of the Government's plans as it looks at prioritising access to PPE supplies to ensure the nation's health and wellbeing.

## TRADE AND LOGISTICAL CHALLENGES

25. Logistics is facing major challenges, both in keeping the 'just-in-time' food chain moving as well as coping with the increased disruption to staffing levels caused by sickness, self-isolation and concerns about business viability.
26. When the lockdown measures were first implemented, there was some confusion amongst our workforce about whether they were to continue working. This was caused by the nationwide communication from the Government to stay at home through letters and text messages. Whilst this was quickly resolved, the confusion did temporarily create challenges in terms of immediate work force capacity.
27. Relaxation of certain regulations around transport, such as the temporary relaxation of drivers' hours rules and lifting of some restrictions on night-time deliveries in order to secure the supply of essential goods has helped ease the pressure on our supply chains.
28. Availability of cold storage is also coming under significant pressure in certain areas as some of our member companies seek to store/freeze stocks of certain supplies. This is also leading to additional pressure on associated parts of our supply chain such as rendering and disposal of byproducts.
29. The COVID-19 crisis presents similar challenges to a no-deal Brexit scenario for poultry meat businesses that run just-in-time supply chains. Border delays resulting from heightened screening and staff shortages may lead to food supply disruption.
30. Businesses are encountering ongoing delays at borders, which is disrupting the delivery of goods and our integrated supply chains. While we face an extraordinary trading environment at present, looking beyond the current situation procedures at border crossings should be minimised and streamlined to what is strictly necessary.
31. Trade in poultry meat and poultry breeding stock must be maintained and facilitated. Continued operation of the air freight sector as well as the use of technology, such as e-certification for trade, will play a crucial role in keeping food moving both into and out of the country.
32. British farmers have worked incredibly hard to build a food system that enhances British food values and ensures high standards of production from farm to fork. It is vital that any future trade deals ensure that only food that meets our high British standards can enter the British market.

## AVAILABILITY OF FEED AND NUTRITIONAL SUPPLIES

33. Our supply chain relies on a number of key inputs including feed for birds as well as some of the vitamins, minerals, and amino acids necessary for healthy growth that are sourced from around the world, of which a significant proportion comes from China.
34. Shortages of feed as a whole, and specific nutritional elements, have created additional pressure on our supply chain and resulted in extra business costs that our members have had to absorb.

## CROSS SECTOR COLLABORATION

35. Given the surge in supermarket sales and a shutdown of the food service sector as part of the Government's measures to fight COVID-19, British poultry meat businesses are working collaboratively to keep stock moving and avoid any potential disruption to the nation's food supply.
36. Cross sector collaboration is enabling food businesses to move a proportion of the food originally produced for food service and wholesale businesses into retail and supermarkets.

37. Public procurement is also being explored with Government in order to match surplus food with public sector bodies that might benefit from it. In the long-term public procurement can help reduce reliance on food imports and enhance the UK's self-sufficiency in food production.
38. BPC member businesses are also working closely with food redistribution charities such as Fareshare to ensure poultry products reach those who are struggling to put food on their table.

## TACKLING FOOD POVERTY

39. In just a few weeks the pandemic has accelerated the limitations of our food system for those who need it the most, with millions of people in the UK requiring food aid. The ability to access food by low income or vulnerable people is not a new problem but it has been exacerbated by first Brexit and now the pandemic. Food production has held up in terms of quantity, but the logistical, financial, and social difficulties have been enormous.
40. Figures produced by the Food Foundation using Government statistics suggest some 17 million people fall into the higher risk category for coronavirus because they are elderly, have underlying health conditions, or are pregnant.
41. Our distribution systems struggled to cope with the surge in demand as the lockdown began, and are now finding a balance as that demand evens out, yet distribution is only one part of the problem in access to food for vulnerable people. Employment, education, opportunities, the welfare system, and health all play vital roles and still need addressing collectively.

## FINANCIAL IMPACT ON BUSINESS

42. The financial cost to the UK poultry meat sector has been significant. While in a more robust position than other food sectors through long-term integration, efficiency, and investment in technology, the current economics of production cannot be sustained for an extended period.
43. While the various financial support measures announced by Government have helped to ease some of the ongoing issues around liquidity and trading, most businesses still face competing and complex challenges with regards to COVID-19. Some businesses need Government assistance in helping underwrite trade credit insurance to keep supply chains moving during this crisis.
44. BPC member businesses are doing everything they can to protect their people and respond to the official guidance to ensure employee well-being, while running the day-to-day operations of the business and maintaining continuity in our supply chain.
45. Members up and down the country are putting new measures in place to stabilise businesses for the future, maintain liquidity to withstand disruption and ensure production can be maintained in both the short and longer term.

## LONG TERM BUSINESS VIABILITY

46. Some British poultry meat businesses may not have long-term viability because of this emergency situation. The collapse of the food service market had devastating effects on those companies whose business model is predicated on supplying that sector. Every effort has been made to redirect that supply into retail, but the capability and the logistics are not always possible.
47. At present, both the timeframe and extent of the COVID-19 pandemic's long-term impact on the poultry meat sector is unclear, but its consequences will continue to be felt even after the spread of the virus is contained. It is likely that the shape of the sector will have to adapt to a different environment in both the UK and trading markets.
48. The wider industry, including businesses supplying solely to retailers, have also reported a 50% deduction in their weekly profitability as a result of additional costs relating to COVID-19.
49. The British poultry meat supply chain has shown leadership, strength and resilience through cross-sector collaboration as it carries on mitigating the consequences of the outbreak in spite of dwindling resources.
50. The industry has implemented a number of robust measures to revitalise business models, ramp up innovation and build a resilient supply chain as we prepare for an exit strategy with regards to COVID-19.

51. Looking beyond COVID-19, the Government has insisted, up until this point, that it will not be extending the Brexit transition period beyond December 2020. Adhering to this deadline increases the likelihood of a no-deal Brexit scenario at the end of this year, which presents significant challenges to the long-term viability of the poultry meat sector.
52. The outbreak of COVID-19 has meant that Brexit negotiations have been less visible, but their effects will be huge as we move out of the pandemic. By extending the Brexit transition it would give poultry meat businesses additional certainty as they recover from the economic impact of COVID-19 and allow the UK Government more time to negotiate a zero-tariff agreement.
53. Our industry has grown significantly in recent years, and we want our sector to continue to thrive and feed the nation after the UK leaves the European Union. However, our departure must be implemented in an effective way that allows UK farming to flourish post-Brexit and provides new opportunities to champion our world-leading production standards.

## NATIONAL FOOD STRATEGY

54. According to a new YouGov study, around 42% of respondents said that they value food more than they did before COVID-19. This change in public sentiment and raised profile of food gives Government and food producers an excellent opportunity to deliver a National Food Strategy that enables the creation of a social structure in which everyone is fed healthily and sustainably while championing British food values.
55. Our National Food Strategy must guarantee safe, nutritious and affordable British food grown to British standards for everyone so that no one goes hungry. It must prevent the creation of a two-tier food system, in which only the affluent can afford to eat British food grown to British standards.
56. As a sector that produces half the meat eaten in this country, we believe it is our responsibility to help address some of the most pressing social issues of our time, from food poverty, nutritional health to rural and urban employment. As responsible food producers, we're determined to strengthen our local communities by promoting wellbeing and carrying on creating purposeful jobs.

## LESSONS LEARNT

57. The COVID-19 crisis has reinforced the importance of self-belief and dignity that comes wrapped up in food, and the role of food in transforming lives. The Government must recognise food as a special case and treat it as a national security issue going forward and the National Food Strategy provides an opportunity to do that.
58. This national emergency has highlighted the crucial role played by key workers in food production who are feeding the nation during these extraordinary times. We urge the Government to recognise the pivotal role of those working in the food supply chain and ensure that our workers are no longer categorised as 'low-skilled' in future immigration policies.
59. Businesses are focusing on robust risk management strategies to minimise supply chain disruption as they adjust rapidly to a changing landscape. COVID-19 has put a renewed urgency behind automation and the use of robotics to mitigate against the disruptive impact on supply chains through the restrictions around movement of people.
60. Clear communication from Government is imperative. The confusion following the text messages from gov.uk of 'stay at home' and 'go to work' caused a brief, but unnecessary disruption to businesses. However, the subsequent messages from Government, stating that key workers should remain working, and the messages of support for food workers have been welcomed and valued by our sector.
61. This crisis has highlighted the vital importance of inward supply chains to the sector, often from around the world, the headline example being PPE supplies. It is vital that PPE supplies are maintained and prioritised to ensure that the key workers caring for and feeding the nation can continue to do so safely.

