

Lord Frost CMG
Prime Minister's Office
10 Downing Street
London
SW1A 2AA

Rt Hon Michael Gove MP
Chancellor of the Duchy of Lancaster
Cabinet Office
70 Whitehall
London
SW1A 2AS

8 September 2020

Dear Lord Frost,
Dear Chancellor of the Duchy of Lancaster,

Re: Mutual recognition for the UK and EU's organic food certification

Food and drink is at the heart of national life, essential to our security and a critical part of the UK economy. As an industry with a footprint in every constituency, we contribute more than any other manufacturing sector to UK GDP and ensure that consumers and shoppers can enjoy a wide range of high quality food and drink available at every price point.

We are writing to you as representatives of the UK organics sector with a deep concern about the future of trade in organic products between the UK and the EU. We know that at the end of December 2020, the terms on which food and drink are traded will change. However, we believe it is strongly in the interests of all sides – businesses, governments and consumers – to minimise avoidable disruption wherever possible to support the post-Covid 19 economic recovery. Unless equivalence is secured as part of the UK-EU negotiations, British organic food producers will not be legally allowed to sell their products in the EU or in Northern Ireland, due to its status as part of the EU's regulatory regime.

Global sales of organic products are rapidly approaching £100 billion and the UK is the world's 9th biggest organic market worth £2.6 billion in 2019. Consistently strong growth in global consumer demand represents a significant opportunity for UK producers. The EU market alone has seen a doubling of per capita spending on organic food in the last decade with the new EU draft policy Farm to Fork highlighting the growth and opportunities across the organics market. With the right deal in place, there remains very strong growth potential for organic trade between the UK and EU after the transition period ends. The total trade in organics between the UK and the EU is worth nearly £750 million per annum, including finished goods, ingredients used in UK manufacturing and animal/aquaculture feed. Exports of UK organic food and drink to the EU are now worth approximately £225 million.

We believe that securing mutual recognition of the UK and EU organic regulations in the form of an equivalence agreement will be in the best interests of the closely integrated UK and European agri-food and drink industry. The UK's organic regulation already meets all the requirements of the current EU organic regulation which should make negotiations in this area straightforward.

UK Organic Control Bodies have applied for recognition under the EU Regulation (EC) 1235/2008. In the event of these applications being successful but without an equivalency agreement in place, then any product destined for the EU, or potentially destined for the EU, would need to comply with Regulation (EU) 2018/848 and its delegating and implementing acts. It is estimated that around 80 per cent of UK organic operators would need to be certified to both the UK regulation and the EU regulation.

From a certification perspective, the control bodies will face new lengthy processes, having to certify to two regulations (the UK organic regulation and the EU regulation), issue non-conformances relating to each and issue two separate certificates. This will lead to significantly more administration as there will need to be accreditation to both the EU regulation and UK regulation, adding cost and regulatory burden to UK business.

Unless equivalence is secured as part of the negotiations, it would bring significant practical and financial problems for a dynamic, fast-growing and highly prized part of the British food scene. Manufacturers in Northern Ireland are likely to lose access to some essential sources of organic ingredients or products produced in Great Britain in favour of products from EU member states which will be able to be imported without additional administration, or certification requirements.

When exporting not only would British producers have to create new packaging with any reference to 'organic' removed, potentially increasing food and packaging waste, they will also lose their premium status and will quickly become unviable in terms of recouping the cost of production. Trade with the EU is a vital complement to UK trade, enabling efficient carcass and milk utilisation. Without the EU market for by-products, balancing production will become more difficult. If UK producers lose access to the EU whey market for example, we foresee price increases for cheese, because there is no organic use or production infrastructure for organic whey in the UK.

Time is already running short to secure equivalence and bringing damaging uncertainty for producers. Labelling and packaging changes alone will take between 12-18 months from the point at which businesses have certainty around what will be legally required. This presents a grave threat to both businesses and jobs in the UK's largest manufacturing industry and in farming communities across Great Britain that supply our producers with quality ingredients.

We would therefore urge the UK's negotiators to secure mutual recognition for the UK and EU's organic food regulations as a matter of urgency and give businesses as much time as possible to prepare for changes that will come into effect on 1 January 2021.

Given the critical stage of the talks, we would appreciate the opportunity to discuss the issues with you at your earliest convenience.

Co-signed by:

Helen Browning, CEO, Soil Association
Adrian Carne, Chair, Organic Trade Board
Richard Hampton, Managing Director, Omsco
Roger Kerr, Chief Executive, Organic Farmers & Growers
Terry Jones, Director General, National Farmers Union (NFU)
Alex Smith, Chair, Food and Drink Federation (FDF) Organic Group
Ian Wright CBE, Chief Executive, Food and Drink Federation (FDF)

On behalf of the UK Organic Control Bodies:

Stuart Cragg, BDA Certification & Demeter UK Manager, BDA Certification
Stephen Clarkson, Certification and Compliance Manager, OF&G (Scotland)
Julian Wade, Director, Organic Food Federation
Martin Sawyer, Chief Executive, Soil Association Certification
Moss Jones, Director, Quality Welsh Food Certification

David Amos, President, Association of Bakery Ingredient Manufacturers
Walter Anzer MBE, Director General, British Importers and Distributors Association

Michael Bell, Executive Director, Northern Ireland Food and Drink Association
Simon Cripps, Chairman, Seasoning and Spice Association
Katie Doherty, Chief Executive Officer, International Meat Trade Association
Gharry Eccles, Chair, Breakfast Cereals UK
Elena Frandino, Chair, British Starch Industry Association
Karin Goodburn MBE, Director General, Chilled Food Association
Richard Griffiths, Chief Executive, British Poultry Council
Dr Sharon Hall, Chief Executive, UK Tea and Infusions Association
Parminder Kaur, Chair, Council for Responsible Nutrition
Andrew Kuyk, Director General, Provision Trade Federation
Pat Moulder, Chair, Cereal Ingredient Manufacturers' Association
Declan O'Brien, Chief Executive, British Specialist Nutrition Association
Marie-Cecile Perchereau, Chair, UK Association of Producers of Yeast
Pete Robertson, Director, Food and Drink Federation Cymru
Paul Rooke, Executive Director, British Coffee Association
James Smith, Chairman, UK Flavour Association
David Thomson, Chief Executive, Food and Drink Federation Scotland
Douglas Veitch, Chair, British Oat and Barley Millers' Association
Jack Ward, Chief Executive Officer, British Growers Association
Simon Wright, Chair, Gluten Free Industry Association

Copied to:

Rt Hon George Eustice MP, Secretary of State for Environment, Food and Rural Affairs
Rt Hon Elizabeth Truss MP, Secretary of State for International Trade