

With previous experience from a number of trade associations, including some time in Brussels, Michael Bellingham, chief executive of the Pet Food Manufacturers' Association, is perfectly placed to lead the industry through these challenging times. Here he discusses the impact and implications of the UK's exit from the EU

IT WOULD be fair to say the Pet Food Manufacturers' Association (PFMA) has been preparing for Brexit ever since the referendum result. This was ramped up over the past couple of years while we were negotiating the Withdrawal Agreement with the EU. We had a number of cliff-edge moments, which we had to prepare our members for, but in the end we did reach an agreement with the EU in October 2019.

This gave us a transitional period (up to the end of 2020) to negotiate the future trading relationship, during which time we remained part of the single market and were subject to EU rules. Then we were suddenly hit by the pandemic and subsequent lockdown. Whilst we lobbied successfully to allow pet shops to remain open, it was still a huge challenge for the sector. We had hoped that the Government would recognise this challenge and extend the transition, they did not take this option.

In the end the EU-UK deal (EU-UK Trade & Cooperation Agreement) was agreed very late in the day on Christmas Eve. This, combined with the second wave of covid-19, gave already stretched government officials and businesses next to no time to fully digest and implement the



Michael Bellingham with his dog, Tessa, and the rest of the PFMA team

The pet food industry: preparing for Brexit since the referendum

agreement. We also had the Northern Ireland Protocol to deal with, which is in itself extremely complex. This combination meant the start of the year was always going to be hugely challenging.

THE DEAL – THE GOOD NEWS AND THE BAD NEWS

PFMA members were nevertheless aware that, even with a deal, there was always going to be a raft of new barriers to overcome to continue trading with our biggest export market (we exported over £285m worth of pet food to the EU in 2019 versus £45m to the rest of the world). Disappointing-

ly, there was no attempt in the negotiations to align UK and EU rules to avoid this costly impact on trade. This was despite the fact that, on the day we exited the EU, our rules were exactly the same.

There was some good news as a deal meant no tariffs on pet food. Whilst there are only a limited number of pet food products on which tariffs would have applied, it would nevertheless have had an impact. The bad news is that the new non-tariff barriers are very bureaucratic and costly. Mostly they relate to animal health, in the form of newly required Export Health Certificates, but there are

hopefully be sorted out over time, but time is not what companies have right now as the cost of having product stuck at the border is very high.

It will be some time before the dust settles. We can then see what are just 'teething problems' with new systems and what will remain as long term barriers to trade. This trade deal will impact all our members for many years to come and while our focus in the short term is assisting members to continue to trade with our biggest partner, we will also be focusing on helping to open new markets beyond Europe. ■

other new processes including customs declarations, pre-notifications, and rules of origin declarations.

THE REALITY OF THE NEW TRADE RELATIONSHIP

Since the New Year, the reality of the new trade relationship has turned out to be even more challenging than we thought, with shipments delayed at borders due to paperwork not being in order. It turns out that, in the main, this is not due to lack of preparation by exporters, but faulty guidance by government to the vets who sign off the certificates. This will

SUPPORTING THE MEMBERSHIP THROUGH CHALLENGING TIMES

From early on in the process, PFMA has been very focused on providing, and continually updating, practical advice to members to help work through the new trade conditions with the EU. This has included:

1. A toolkit for members, which is housed on our members-only extranet. This has developed into a content-rich but easily navigable site that guides members depending on where they are exporting to or importing from.
2. Delivering a series of highly relevant events. This moved online after the initial coronavirus lockdown. A number of these included officials, mainly from Defra but also from other government departments such as HMRC.

3. Working with our European trade association, FEDIAF, to ensure our colleagues in Europe are aware of the new rules when exporting to the UK. We also exchange information on the current situation on imports into the EU to assist our members when sending product to Europe.

4. We are in constant dialogue with government officials to ensure they are aware of any challenges and to request they change guidance, rules etc, when needed.
5. PFMA is part of a wider Food and Drink Industry Round Table that meets regularly to share intelligence and lobby collectively to government ministers and officials on a broad range of issues.