



EU Exit Working Group

Terms of Reference

Members

- Professor Spencer Henson (Chair)
- Dr Hannah Lambie-Mumford
- Professor Dan Rigby
- Dr Seda Erdem

FSA secretariat

- Lea Milanovic
- Nuria Casadevall

Dates

April 2019 – March 2020 (provisionally)

Summary

The EU Exit Working Group is asked to advise the FSA on key strategic priorities and methodologies to assess economic impacts associated with EU Exit;

Background

While the exact consequences of EU Exit remain uncertain, it is possible that there may be an economic impact on food businesses. Depending on the negotiated outcome, additional border checks and new compliance requirements might be introduced to ensure that food is traded and consumed safely. However, EU Exit could open up new trade opportunities with third countries and might enable further innovation in the food & drink and animal feed industry.

From day one after the UK's departure from the EU, we will have in place a proportionate and effective regulatory regime. For most food businesses, there will be no change in how they are regulated and how they are run. But in the context of EU Exit, we will need to develop a regulatory system that is both flexible and resilient within a rapidly evolving global food system. In order to do so, we need a robust evidence-base to understand (i) the economic impact of EU Exit on industry, including compliance costs, trade flows and production changes and (ii) how these impacts might affect consumers and public health.

As the FSA has already been doing a lot of work in preparation for EU Exit, including research commissioned by the Analytics Unit, a summary of existing and ongoing research will be shared with the Working Group.



Objectives of the Working Group

The proposed objectives are as follows:

1. To understand the dynamics and scope of expected change on the food and feed industry as a result of EU Exit and the regulatory consequences for the FSA;
2. To identify research gaps that the FSA should fill and to provide advice on strategic priorities that emerge for the FSA, including approaches how the FSA can mitigate expected risks;
3. To advise on quantitative and qualitative methodologies to assess the likely impacts on industry and consumers. These impacts include
 - i. impacts on businesses in the food and feed industry;
 - ii. pass-through of costs from industry to consumers as a result of changes for example to production, trade patterns, prices, etc.
 - iii. developments in the food and feed industry that have a direct or indirect impact on consumer health or other consumer interests in relation to food (e.g. expected changes in dietary patterns as a result of changing product availability or prices).

Approach

These objectives will be achieved by:

- identifying work that is undertaken by relevant academics and in the private sector which could inform and shape the FSA's strategy; in particular any work which can support the FSA in identifying how potential economic changes would impact on food businesses and consumer interests in relation to food and which sectors and social groups are likely to be most vulnerable to these changes;
- where relevant engaging with industry stakeholders to strengthen the FSA's understanding of how businesses in the food and feed industry will be affected by EU Exit and to assess key industry concerns;
- recommending and supporting research that the FSA commissions, including contributions to evidence specifications and provision of feedback on intermediate and final outputs;



- recommending methods to assess the identified economic impacts, including recommendations on suitable data sources and advice on how the FSA can make better use of existing intelligence and data;

Outputs / deliverables

The proposed outputs are:

- participation in the steering group for research projects, including written feedback on evidence specifications, peer review of draft reports and attendance of meetings (selected WG members);
- overview of ongoing research that can provide insights on likely effects of EU Exit on the food and feed industry and the associated regulatory consequences;
- recommendations for analysis that the FSA should conduct and research that the FSA should commission to prepare for a regulatory regime outside of the EU, including suggestions on how best to deliver the project;
- due to the dynamic nature of EU Exit and the remaining uncertainty surrounding the outcome of the negotiations, it is proposed that the WG will also provide responsive advice to bespoke questions and research as and when required to meet the above objectives.
- the Working Group will meet every 6 months (with correspondence between meetings) to provide process updates on agreed outputs in addition to the plenary ACSS meetings (twice a year).