

## Primary Food Processors call for minimum trade disruption post Brexit

### PFP main activities

Primary Food Processors (PFP) is composed of six trade associations, representing manufacturers of sugar, starch, wheat flour, vegetable proteins, cocoa, and vegetable oil and proteinmeal products, respectively.<sup>1</sup> The principal activity of PFP members is to process agricultural raw materials into a range of commodities and ingredients that are purchased by secondary processors for food, feed, and non-food uses. The position of PFP in the food supply chain means that we enjoy strong links with farmers. The PFP sectors together directly employ over 120,000 people in the EU and provide one million indirect jobs.<sup>2</sup>

PFP members note the launch of the Brexit negotiations following the activation of Article 50 on 29 March 2017. We would like to take this opportunity to set out three guiding principles that are of paramount importance for our sectors moving forward:

#### 1. Achieve the least disruptive outcome of Brexit negotiations

For most PFP sectors, the UK will become the most important third country trade partner after its departure from the EU. PFP sectors are of strategic importance to the EU food and drink industry – the EU's largest manufacturing sector. Primary food processors also provide substantial quantities of raw material for industrial applications. PFP members are well established on both sides of the channel (68 plants located in UK) and depend on ease of trade. It is therefore essential for Primary Food Processors, as well as for the entire EU agri-food chain, that trade disruption is kept to an absolute minimum.

To this end, PFP Members call for a transitional arrangement to be implemented from day one of the departure of the UK from the EU. This arrangement should remain in place until an EU-UK trade agreement enters into provisional application. Such an arrangement would allow businesses to adapt to the new context, with minimal impact on trade, growth and jobs.

#### 2. A fair sharing of the EU's existing market access concessions

The EU has offered market access concessions to third countries in the form of tariff-rate quotas on a range of sensitive PFP products (primarily starches and sugars). These quotas were offered as a bloc of 28 Member States, and must be fairly divided between the UK and the EU-27 to reflect the respective import shares of each partner. Primary food processors cannot afford the increase in real market access for third countries that would result from maintaining the EU-28 quotas at their current level for a diminished EU.

<sup>1</sup> These are: the European Association of Sugar Producers (CEFS); the European Starch Industry Association (StarchEurope); the European Flour milling association (European Flour Millers); the European Vegetable Protein Federation (EUVEPRO); the European Cocoa Association (ECA); the European Vegetable Oil and Proteinmeal Industry (FEDIOL). For more information see <http://www.pfp-eu.org/>.

<sup>2</sup> Katja Logatcheva and Michiel van Galen. October 2015. Primary Food Processing: Cornerstone of plant-based food production and the bio-economy in Europe. LEI Wageningen UR.

## The Vital Link in the Food Chain

### 3. Adjustment of EU's market access concessions in future EU-27 FTAs

It is essential to take into account the changes to the EU market resulting from Brexit in ongoing free trade negotiations. Future market access concessions must be moderated to allow for the reduced size of the EU market. The EU's trade negotiators cannot continue market access discussions as they were prior to the activation of Article 50.

For additional details, please consult PFP Members' websites:

[CEFS](#)<sup>3</sup>

[ECA](#)

[EFM](#)

[Euvepro](#)

[Fediol](#)

[Starch Europe](#)

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<sup>3</sup> CEFS' UK membership did not participate in the formulation of this statement and as such should not be assumed to have agreed or disagreed with its content.

