19th July 2024

Rt Hon Nick Thomas-Symonds MP Cabinet Office 70 Whitehall London SW1A 2AS United Kingdom



## RESETING THE RELATIONSHIP ON EU TRADE FOR THE COLD CHAIN SECTOR.

Dear Minister,

Congratulations on your re-election and appointment to your new role. The Cold Chain Federation looks forward to working collaboratively with you and the government to facilitate smoother trade within the EU.

The cold chain sector is a cornerstone of the UK economy. In 2023, it contributed a staggering £13 billion in gross value added, supported 167,000 jobs, and generated £3.4 billion in tax revenue. The cold chain's primary role is to ensure the safe and efficient delivery of essential goods such as food, plants, and medicines across the nation. It is a critical service that all UK citizens rely on each day.

Cold storage is crucial element of the UK's cold chain, keeping products in safe storage until required for onward distribution to shops, restaurants and homes. Cold storage is the nation's buffer against shocks to the food system, without the reserve supplies kept safe in cold storage, the nation would be much more susceptible to shortages of products like meat, dairy, fresh produce and pharmaceuticals during times of crisis.

However, the sector has faced significant challenges since Brexit due to a lack of clarity and forward planning in the previous government administration. The recent Border Target Operating Model has exacerbated these issues, causing trade disruptions and increased business costs.

We believe a constructive partnership between the Cold Chain Federation, key stakeholders, and the government is crucial to address these challenges and optimise the flow of goods while maintaining high standards of efficiency and compliance.

Our previous work with Stella Creasy MP highlighted the detrimental impact of opaque fees imposed on our member companies. These fees have hindered trade and contributed to product shortages. We are eager to discuss the initial feedback on the BTOM implementation, the fee structure, and potential improvements with you.

The current model presents significant obstacles to the efficient and safe movement of temperature-controlled goods, particularly plants and products of animal origin. This risks disrupting vital supply chains and compromising food and biosecurity.

Furthermore, the introduction of Export Health Certificates, inspections, and consignment charges has discouraged EU food producers, especially smaller businesses, from exporting to the UK. These additional costs, estimated at £700 to £1,000 per multi-consignment lorry, are unsustainable.

As we navigate the evolving relationship with the EU, it is imperative that the government collaborates with industry to eliminate trade barriers and create a favorable environment for the cold chain sector.

We would welcome the opportunity to meet with you to discuss these issues in more detail and explore potential solutions.

Yours

Phil Pluck

**Chief Executive**