

# Brexit: What's on the Menu for the UK's Food Operators?

**10 March 2017**

With so much focus on sectors such as financial services, it is easy to forget that the impact of Brexit on the UK's food industry could also be significant. From trading and supply chain implications, potential issues in accessing skilled labor, to regulatory compliance considerations, the outcome of the UK Government's negotiations on the future relationship between the UK and the EU is set to be key for the food industry.

The challenges are clear. UK food and drink operators have already experienced the initial fallout including commodity price increases, uncertainties over currency fluctuations and concerns over the future status of EU migrant workers, on which the UK's food industry is particularly reliant. Early reports also indicate that unease over the kind of trade deals that the UK will be able to negotiate is having an impact on investment decisions, with the US food and drink sector seemingly particularly concerned about potential regulatory and trading implications.

Key UK food legislation, covering areas including labelling, food safety, contaminants, food additives and health and nutrition claims, is almost entirely derived from EU law. The UK government will have to resolve this issue to ensure the UK food industry does not unduly suffer. There is significant work to be done by the UK Government and the food industry to ensure the best deal Post-Brexit for UK manufacturers is reached, however, there are potential opportunities. EU labelling requirements are considered by many within the industry to be restrictive and burdensome and the negotiations give UK food operators a chance to have a say in how food labelling legislation might be relaxed. One recent example is the British Sandwich and Food to Go Association's letter to Brexit Secretary David Davis calling for a relaxation of the current prohibition under EU law of using "use by end of" date labelling, which it is argued would be better understood by consumers and help prevent food wastage. Another potential area where UK companies may see potential benefits is if Brexit provides UK operators with an opportunity to depart from the use of only EU authorised health and nutritional claims in food advertising and labelling. The permitted list of EU claims is seen by many as overly prescriptive without necessarily enhancing consumer understanding. The food industry will have a crucial role in bringing to the UK Government's attention those areas where amendments to existing legislation should be sought in its negotiations with the EU.

Ultimately how the food industry is regulated post Brexit will depend on the outcome of those

negotiations. The Great Repeal Bill is intended to enshrine, at least initially, EU laws into UK domestic law. Given the importance of access to the EU market for UK food operators and that nearly all UK food law comes from the EU, it is likely that the UK Government will seek to preserve much of the current legislation longer term too. The UK Prime Minister Theresa May has indicated that the UK intends to pursue a "Hard Brexit", which suggests regulatory cooperation between the UK and EU might undergo a fundamental shift, although clearly in order to continue to have access to the EU market, EU laws such as food safety and compositional standards will still need to be complied with. It is possible that the UK will look increasingly to the US or other potential markets as attractive trading partners, with significant de-regulation in the UK food industry a potential result. Either way, it is clear that the food industry will be one of the many battlegrounds in the Brexit negotiations, and the outcome will have lasting implications for manufacturers, importers, retailers and consumers alike.

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