



Legal NewsBITE: Food and Drink Quarterly

June 2018

CCTV Became Mandatory in All Abattoirs in England From 4 May 2018

All slaughterhouses will be required to comply in full by 5 November. DEFRA has published [Guidance](#) on compliance for operators. The [Regulations](#) include a number of offences, such as failing to install and operate CCTV and failing to retain information and images, which can be committed by a corporate body, as well as an individual. Operators should, therefore, ensure measures are implemented as soon as possible, and certainly by the deadline, to comply. We reported in our [December 2017 issue](#) on the Parliamentary Inquiry into standards in poultry processing and the suggestion that compulsory CCTV should be extended to include cutting plants, but the current legislation extends only to slaughterhouses.

UK Retail Brexit Trade Review: Findings for Food and Drink Sector

The [first](#) of our quarterly reports in partnership with Retail Economics provided analysis of eight core sub areas of retail, including food and drink. The findings were covered by a number of leading national and sector publications, including *The Times*, *Independent* and *Retail Week*. Key findings for the sector included:

- The risk of higher costs from new tariffs is greatest for food and drink from the EU. The exposure of the UK market to imports from the EU is the highest compared with any other retail sector, with more than 70% of UK food and drink imports originating from within the EU.
- The standard rate of tariffs that would apply to imports of EU food and drink is far higher than the rate for non-food goods, with duties for some meat and dairy products rising to 80%.
- To continue tariff-free trade in food and drink post-Brexit, the EU is likely to demand compliance with a wide range of non-trade regulations, which may be difficult for the UK to accept.
- Potential alternative non-EU sources of food and drink are limited by either high tariffs and/or non-tariff barriers.
- Any new immigration system for EU citizens would need provision for non-graduate labour to ensure that the UK retail industry has access to the workers it needs or we could see a rise in labour costs due to competition within the industry and its supply chain.

The review is part of our wider [UK Retail Brexit Trade Service](#), which will also provide a series of monthly pulse updates and policy roundtables.

#MeToo – Dealing With Allegations of Workplace Harassment

With the #MeToo campaign showing no sign of falling out of the public spotlight, it seems inevitable that the number of sexual harassment allegations being raised by employees and subsequently brought to the Employment Tribunals will rocket. As such, it is important for employers across all sectors to ensure that, when they are approached with an allegation of harassment or assault in the workplace, the mentality of “handling it right” rather than “getting it off the desk” prevails. For tips on how to handle allegations, and for insight into practical and legal HR issues relevant to employers everywhere, check out our [Employment Law Worldview](#) blog.

Reminder of New Country of Origin Labelling Requirements in Australia Effective 1 July 2018

New country of origin labelling (CoOL) requirements for foods offered for retail sale in Australia become mandatory on 1 July 2018. While a form of CoOL has been mandatory for some time, consumer confusion led to significant reform and the two year voluntary transition period is about to expire.

The new system introduces clearer rules around when food labels can carry “made in” or “packed in” statements. It also details when the kangaroo symbol and disclosure of the proportion of Australian ingredients by weight must or can be given, and mandates the exact visual form of that information. [Online decision tools](#) are available to assist businesses in selecting and downloading the appropriate labels to use. A limited number of foods designated as “non-priority”, such as certain seasonings, confectionary, soft drinks and alcohol, have reduced requirements (text statement of origin only).

Recently Completed Food and Beverage Sector Deals

We have advised on the following food and beverage sector deals over recent months:

- **Ali Haligur and Yusuf Genc** – We advised on the acquisition of a minority stake in Bread & Tea, a specialist London bakery noted for their range of cakes suitable for those with allergies and food intolerances.
- **NVM Private Equity** – We advised NVM on its £3 million investment of growth capital into The Primal Pantry, the Maidenhead-based health and sports snack creator.

We commented in our [March 2018 edition](#) on acquisitions of food and beverage sector businesses by buyers who are not currently within the food and beverage industry and transactions in the “healthy food” sector. Both of these deals reflect those trends.

Current Consultations: Proposal to Allow Pet Food Production in Food Establishments and Changes to Food Contact Materials

The Food Standards Agency (FSA) has launched a [consultation](#) seeking views on proposals to allow, under certain criteria to ensure strict separation, the commercial production of pet food from animal by-products (ABPs) in businesses also producing food for human consumption. The FSA view is that such production is permitted, given that Regulation (EC) No. 142/2011, containing implementing measures for Regulation (EC) No 1069/2009 on ABPs, prescribes conditions of strict separation designed for processing plants located on the same site as slaughterhouses, or other establishments approved or registered under EU regulations governing hygiene. The consultation closed on 30 May.

There is also currently a consultation on an amendment to the Materials and Articles in Contact with Food Regulations, closing on 4 June. The amendment will allow authorities to execute and enforce a number of EU regulations on food contact materials, including a revised plastics regulation ((EU) No. 2016/1416), a regulation governing use of bisphenol A (BPA) ((EU) No. 2018/213) and a recycled plastic materials regulation.

The proposed regulations introduce the use of compliance notices to act as a first intervention for various offences, but criminal offences will be introduced for failure to comply with requirements for recycled plastics, and failure to comply with the migration limit for coatings and varnishes applied to food contact materials/articles. The consultation anticipates that there will be one-off familiarisation costs for industries associated with the proposed regulations and the three European regulations. There may also be some additional costs associated with testing to new migration limits for aluminium and zinc, revised simulant testing and/or to demonstrate compliance with the migration limits for BPA from coatings and varnishes.

The New European Acrylamide Legislation Came Into Effect on 11 April 2018

The rules under the [regulation](#) require food manufacturers to identify sources of acrylamide and put in place steps to manage it within their food safety management systems. Acrylamide is a carcinogen and typically forms when foods such as potatoes, other root vegetables and bread are fried, roasted or baked at high temperatures. Trade press reports have raised concerns at the EU failure to provide guidance to date. However, the FSA does make information available online.

Trade Talk Focus on India: Key Tips for UK food businesses looking to invest

Our Trade Talks initiative brings together colleagues with on-the-ground knowledge from key jurisdictions for clients exporting or importing, looking for global investment opportunities or needing to be aware of economic and political issues. There is a current focus on India and in our most recent interview, Corporate partner Hannah Kendrick asks Neil Clarke, Sales Director for convenience food manufacturer Symington's, for his view on exporting to Indian markets. Neil provides five key tips for UK businesses looking to invest in India and also tells us what he thinks it takes to make a long-term success. The interview can be downloaded and viewed via our [website](#).

EU Ban on Bee-Harming Pesticides

Press [reports](#) confirm that the European Union will ban neonicotinoids, the world's most widely used insecticides, within six months, to protect both wild and honeybees that are vital to crop pollination. The ban, approved by Member States in late April, is expected to come into force by the end of 2018 and will mean they can only be used in closed greenhouses.

42 UK businesses have signed WRAP's UK Plastics Pact and EU Commission proposes Directive to Ban Single-Use Plastics

We reported in the last [edition](#) of newsBITE on the government's 25-year plan including ambitious targets to eliminate avoidable plastic waste by 2042. WRAP's [Plastics Pact](#) commits to ambitious targets to reduce plastic packaging waste. Key targets are 100% of plastic packaging to be reusable, recyclable or compostable; 70% of plastic packaging to be effectively recycled or composted and plastic packaging to contain an average of 30% recycled content. Signatories include supermarkets, major food and drink brands, manufacturers, retailers and plastic re-processors, together accounting for 80% of the plastic packaging on products sold in UK supermarkets. This pact is the first of a global network to be set up as part of the Ellen MacArthur Foundation's New Plastics Economy initiative and the latest response to the growing consumer concern over plastic waste entering the environment. WRAP and others have also been discussing how [major changes to the packaging regulations](#) could help to reduce the environmental impact caused by the way we use and dispose of packaging, especially plastic packaging. A number of recommendations have been suggested, including better packaging design and making recycling easier. Our team in Brussels have also recently [reported](#) on the proposed Directive of the EU Commission which, if adopted, would ban six kinds of single-use plastic items and regulate other categories in various ways to reduce their consumption and address the associated marine littering of these items.

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