

BREXIT

Brexit border checks: stockpiling likely to delay shortage storm

By Simon Roughneen | 5 January 2022 | 4 min read













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Late-year stockpiling and the January sales slump are likely causing a drama-free start to controls on EU imports

The impact of the UK's border checks on EU-sourced goods is unlikely to be felt immediately due to late-year stockpiling ahead of the 1 January start of controls, industry experts and suppliers have suggested.

The British Frozen Food Federation last week said there remained the "potential for massive delays and food supply issues" in Britain as the new border regime was imposed.

However, the trade body had not yet heard of "any reports of serious disruption" since the turn of the year, CEO Richard Harrow told The Grocer this week. "We understand that many food businesses have built up stock in December to shield themselves from the expected problems with the new import rules."

A spokesman for cheese importer Bradbury's added there were "no delays as yet" but added the company had brought in "some contingency stock" before Christmas.

His comments were echoed by bodies including the Health Food Manufacturers' Association, with its executive director Graham Keen stating it was so far "unaware of any significant issues for our members' products".

But while it was still "very early days", companies could later "encounter challenges presented by these new requirements", he warned.

UK food and drink exports plunge 15.9% in 2021 as trade barriers and Covid hit

The fact "import traffic at this time of year tends to be lower than at other times for seasonal reasons" was given for the lack of teething issues by a Dairy UK spokeswoman.

It comes as ShelfNow, which links smaller food and beverage producers with independent buyers in the hospitality and retail sectors across the UK and 10 EU member states, said in December that as EU-based producers who export to the UK also had access to the bloc's vast market, they had the option of waiting "until the changes have settled down in 2022".

But despite the so-far quiet start to the year, there would be "big tests" ahead "as people get back to work this week and through the rest of this month", suggested Cold Chain Federation CEO Shane Brennan on social media earlier this week.

As of 1 January, traders have been required to file declarations in advance of goods being shipped from the EU to Britain, though a temporary exemption was applied to imports from the island of Ireland. After several delays, physical checks on EU-sourced goods are scheduled to begin in July.

The controls reciprocated checks imposed last year on British goods bound for the EU – measures that contributed to what the Food & Drink Federation said last month was a 23.7% fall in the UK's food and drink exports to the bloc since before the pandemic.

Imports from the EU fell by 11% over the same period, according to the FDF, which warned the 1 January checks would "further impact the cost and availability of supplies of food and drink from the EU, including essential ingredients and raw materials required by UK manufacturers".

What's the outlook for key food commodities in 2022?

The checks come after a rough year for global trade. Supply chains have been hindered by delays at ports due to staffing shortages and by rising energy and shipping costs, contributing to food commodity Prices surging to their highest in a decade by November. British consumers were feeling the effect by the end of the year, with Kantar estimating a 2.7% rise in grocery inflation over the 12 weeks to Christmas.

The trade hitches and border controls could, however, prompt growing demand in the UK for some categories of domestic-sourced food. Phil Stocker, CEO of the National Sheep Association, said while checks "won't make much difference for lamb/sheepmeat as we import very little from the EU", at the same time if "controls really reduced the volumes of other meats being traded then we could see a further drive towards self-sufficiency and reliance on home produce".

However, Steve Cock, director of The Custom House, a Kent-based customs agency, downplayed concerns that "the UK border will be a mess due to Brexit".

"This might only happen for a short time, if proper border controls were imposed and the required checks on import documentation were actually happening," he said, pointing to France, where checks on British goods have been in place since last year.

"Any short-term difficulties would be resolved because the trade would make sure it did to keep goods moving," he said.

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