THE BRITISH COFFEE ASSOCIATION

AGM & Board Combined Meeting Minutes
Tuesday 23rd March 2021
Via Video & Conference Call

Present at meeting:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Thomas Blackwall	Finlays (BCA Chair)
Andrew Kerr	OCR Commodities (Vice Chair)
Roxy Rocks-Engelman	Cafédirect (Sustainability Chair)
Angus Kerr	Coffee ag Ltd (A&CC Chair)
Nick Boxall	Complete Coffee Limited (Technical Chair)
Mick Flynn	Complete Coffee Limited
James Paling	Commodity Centre
Jason Cross	CWT
Elizabeth Barry	Equatorial Traders
Austin Sugarman	FFI
Richard Hankinson	ICE Futures Europe
Tasmina Hoque	JDE
David Rogers	Lavazza
Chris Coates	Taylors of Harrogate
Kevin Carrington	Vollers UK Limited

1. Apologies for Absence

Katrina Pantelli	Cafédirect
Chris Thompson	Cafédirect
Esme Knight	Costa (Comms Chair)
Phil Burton	Bronsens (Technical Issues Joining Call)

2. Competition Law Compliance

It was proposed that the meeting would run under the revised FDF competition law compliance rules previously distributed. **TBlack noted the Do's and Don'ts for this meeting.**

3. Minutes of the Last Combined AGM/Board Meeting

No comments received – minutes approved.

4. Minutes of the Last Board Meeting

No comments received – minutes approved.

5. Matters Arising from Previous Meeting Minutes

No matters arising.

6. Election of Chair & Vice Chair

TBlack noted that the AGM provides a nice opportunity to summarise his Chairmanship over the last couple of years, having been elected back in June 2019. TBlack added that at this time we also had the retirement of the then ED, Chris Stemman, TBlack thanked TB for keeping the ship steady until we were able to recruit a new ED for the Association. It also gave the opportunity to speak to a number of people, companies and organisations about the BCA, and how we could look to move the BCA forward. There is still a vast amount of work to do, and the global coffee associations are key to non-competitively working together for the benefit of the industry.

TBlack noted with the recruitment of a new ED, we wanted to have someone in place who had worked within an association, not necessarily within coffee, who could set policy and really drive the BCA forward, and Paul has absolutely been the right choice.

Several you took part in the Strategy Day in January 2020, and from this we set our 3-pillars, thanks to those of you who took part and helped us set those strategy goals. TBlack added with the arrival of the pandemic, a number of these goals had to be pushed back as we worked to assist the industry through this difficult time.

PR has also helped us navigate our way through Brexit, he has also sat panels and conferences, he has helped to drive through several webinars during this time, which have been very well attended. But as we move forward, we can look to enhance our strategy.

We are now moving ahead with the recruitment of a Comms & PA Manager, and TBlack thanked those who were assisting with this recruitment.

TBlack noted that on coming into the Chair, there were a number of strong Committees already in place, and on a tight budget, we continue to work with Members to make these successful.

TBlack wanted to take the time thank Austin Sugarman of FFI, who will be moving on to pastures new, to thank you for all your time and guidance over the years.

TBlack noted that AndK share a similar vision for the Association and is confident that AndK will continue to drive the BCA on further.

AndK noted filling TBlack shoes will be a difficult task but thanked him for putting in a robust strategy as we move forward, and all the work that he has done.

AndK added that he is fortunate to have both PR and TB in place as he takes the Chair.

AndK stated that he is excited to be taking forward the collaboration both with Members external Associations and Organisations.

As you know his passion is that of recruitment and will use his expertise to work on the recruitment of new Members with all that the BCA can now offer.

AndK noted one of the things that this whole lockdown has shown us, is that we can get people together albeit online, and online education is something that we can look to drive forward by enhancing the tools that we have, including the website.

TBlack noted this is where we come to elect AndK as Chair and asked all to raise their hands to accept.

- Andrew Kerr (OCR Commodities) (Chair)
- TBC (Vice Chair)

The above position was proposed and accepted by those on the call.

7. Re-Election of Committee Chair's
Arbitration & Contracts Committee – Angus Kerr (Coffee AG Ltd)

Brexit Sub-Committee – Chaired by Paul Rooke

Communications – Chaired by Esme Knight (Costa)

Member Services Committee (Social Activity) – Alex Rogers (AGC Commodity Store Ltd)

Sustainability Committee (Chair) – Roxy Rocks-Engelman (Cafédirect)

Technical & Regulatory Committee – Nick Boxall (Complete Coffee Ltd)

Trade & Logistics Committee – Mike Watson (TRC Specialty Commodities)

The above positions were proposed and accepted by those on the call.

8. Re-Election of the Arbitration & Contracts Committee
The A&CC were proposed and accepted by those on the call.

9. Re-Election of the Arbitration & Contracts Panel of Arbitrators
The Panel of Arbitrators were proposed and accepted by those on the call.

10. Re-Appointment of Auditors - Bronsens
The re-appointment of Bronsens was proposed and accepted by those on the call.

11. BCA Accounts

- **Audited Management Accounts to 31/12/20**

TBlack noted that 2020 was a bit of a challenging year, as we were missing the income from events such as the Dinner Dance and Golf Day.

PR noted that we do have 2 unique items added into the accounts for 2020. The Covid local business grant, and the finalisation of Dr Euan Paul's Estate.

<u>Report from Auditors - Bronsens</u>

- The BCA accounts for the year ended 31 December 2020 show that membership was constant from the previous year and that core activities were able to continue despite the Covid pandemic. Social and charity functions were cancelled but as the costs of running these events are normally recovered, this did not materially affect the surplus for the year. The 2020 budget had been prepared just prior to the previous AGM in March 2020 and didn't include the social events which had already been cancelled by that time.

- During 2020 the Association received £25,454 from the estate of Dr Paul, representing something of a windfall as this debt had previously been written off. This contributed to a final surplus of £10,616, compared to a budgeted deficit of £33,213.

- Cash reserves rose by £32,503 to £259,602, maintaining sufficient reserves to meet any expenses that arise before the 2021 membership subscription income starts to be received.

- Our audit of the annual accounts prepared by the FDF identified no matters that would lead us to an adverse opinion, and we will issue a clean audit report. The final accounts were approved by the meeting and will be sent to the Secretariat for signature.

- From 1 January 2021, Bronsens have taken over the bookkeeping and management reporting role from FDF. The handover went smoothly, and the system seems to be working well. We have provided management accounts for January and for February. Membership invoices for 2021 have also been prepared and sent out.

- **BCA 2021 Working Budget**

TBlack noted that you will see that we put in place 3 scenarios for 2021, PR noted that Ver.2 of the budget is what was agreed that we would be taking forward into 2021. PR added that there will be some challenges to this, such as the Dinner Dance and Golf Day which Member Services will need to make a final decision on at their meeting in the next couple of weeks.

DR asked if the reduction in budget, was this something that was known of just an assumption. PR noted that in a large part was down to Members being in a different banding to previous years.

- **BCA Income & Expenditure Management Accounts to 28/02/21**

TBlack noted that we are a little behind on membership subscriptions, PR added that is in part due to awaiting some tonnage details from a few members.

- **BCA Balance Sheet to 28/02/21**

TBlack noted that the balance sheet is looking healthy as the moment, and that we had accumulated a surplus over the years, and this is there to be used in a time of need but added that there is potential that we might need to dip into this if something arises that needs to be addressed.

12. Executive Director Reports

PR noted that you may have seen several the updates raised within the weekly newsletters that are sent out.

- **Covid**

There is still quite a strong push from Government to push the principle of workplace testing in all workplaces, and payments, as long as you are registered in the system by end of March, Government will fund until end of June this year. There is quite a bit of push back from Government on home testing, which is likely to be inconsistent, which is being asked for by some companies, but there are some pilots underway.

PR added it has recently been raised as to what can businesses do to increase the vaccination uptake, some businesses suggestion that they feel they may have a role to provide vaccine facilities onsite, do let us know if you are interested in this.

There is another round of grants at local authorities predominantly for SME operations.

PR noted that we are pushing for and supporting via the FDF roundtable, is to get an extension to the underwriting of credit risk insurance. We know that it has had some impact but not the total result we were looking for.

- **UK/EU FTA**

PR noted he is conscious that we are still having a number of challenges, but the decision by the UK Government to delay import controls into the UK, have been pushed back until January next year. Some are not happy about this as it gives an advantage to those businesses in the EU importing/trading into the UK.   Companies are being asked to talk to their EU counterparts on their business readiness, Defra have confirmed that this delay till January will not be repeated.

Even today we have seen issues of some Member States requiring additional information and certification that is not required elsewhere, and we are seeing some Member States requesting over and above the EU agreement. Issues that are rather strange are why they have been introduced; we are liaising directly with Defra to see if they can take these up with their counterparts.

The NI STAMNI extension, there is a growing concern in NI on the increasing number of checks, and the availability and price of goods into NI. The UK Government is very clear that the action they have taken in NI is legal, the EU view is not. It is perhaps sensible for businesses that are engaged within the NI market, taking their own advice. There are concerns that if the EU were to win their case that they could seek to recover money from business in relation to any financial benefit gained.

An issue for some Members, where you have a combination of coffee and dairy together like RTD products, there are a number of EU changes coming in effect in the EU on the 21st April regard to Export Health Certification, the view from UK Government they would want to implement little changes as possible, please contact us for further information.

- **UK Legislative Approach & Outreach**

PR noted that now we have left the EU, there is now in place retained legislation, but there is also a chance for the UK for divergence.

There continues to be the issues for contaminants, waste and recycling and sustainability, and how the UK might take a different line to the rest of Europe and understanding what that change in emphasis will be for businesses trading in both environments.

PR noted that the UK Government individually joined the ICO at the end of January, and there has been a discussion if a Working Group was needed, but it was felt that we need to understand from Defra as to their view on what the UK's role will be, update to follow over the coming weeks.

- **Glyphosate**

We do have and share with Europe some grave concerns over Glyphosate and the EU product re-registration, as well as the EU reviewing MRLs and looking to half its current level. If the EU do reduce MRL levels, this could have a significant impact on coffee coming in from some origins. The ECF are lobbying at both EU level and within organisations and national authorities in origin.

- **Contaminants**

PR stated that we need to understand where the UK goes regarding its approach to risk for such as Acrylamide and Furan as we go forward. The availability data and being able to support arguments with data is becoming more important, even though we have those data sets from the ECF there is a growing call for the UK to have our own data. We will look as to how we can convene a group to take this forward in the coming weeks.

Action: BCA

- **Sustainability**

PR noted that this is something that RRE and himself will be taking forward.
2021 – consultations were delayed but still due on DRS and EPR, and how we take this forward and maintain control from and industry perspective regarding such things pods. It is becoming clear that as we come of the pandemic there is resumed focus on recycling.

PR added that we are talking about in Sustainability, decisions as to what we want to do ahead of COP26 this year.

PR noted that at the last Sustainability Committee meeting we had the UKTIA present, and a discussion was had how we can collaborate moving forward.

- **Education & Training**

PR noted that AndK touched on this earlier, how far Covid has pushed online education, perhaps there is also a need to have hybrid training sessions, moving into Q2 we will also look to develop better materials that are accessible online. As a pilot we will look to do further online training on Arbitration & Contracts running through an outside body.

- **Comms Recruitment**

PR noted that we had around 38 applications.

We shortened this down to around 11 applicants.

These have now further been shortened down to representatives from the Communications Committee to around 6 or 7 for first stage interview.

After these interviews, we will reduce this to around 3 candidates to do a virtual present to the Panel.

We hope to have this process finalised with an offer in place by the end of April 2021. We will of course have to investigate any notice periods in the next round of consultations.

PR added that we have been very lucky to still have Seb on board effectively 'business as usual' and for him to stay on to complete a handover with the new applicant.

13. Review & Approval of Articles of Association & Constitutions
PR noted that as with the strategy discussion, he has lifted out specific details on the Committees from the Articles and built them into individual Constitutions, which is a better way of giving back control.

PR noted that we have not actually done any real specific changes to the Articles, just sharpening them up and tidying up some wording.

We have had to add in a Constitution for the Sustainability Committee.

TBlack asked Members to come back to PR if they have any specific questions or queries once they have had time to review these.
Action: ALL

14. Member Recruitment
TBlack noted that he and AndK have been working on a recruitment strategy and had a brainstorm as to a recruitment tiered system.

Having now identified around 45 organisations, segmenting them into 4 tiers, Tier 1 are the Key Targets, Tier 2 are Coffee Retailers, Tier 3 Specialty Sectors and Tier 4 are Indirect Coffee Industry and Retailers.

TBlack added that they have further identified 15 reasons to join the Association, these came out of the Strategy Day and from the Member Survey. For each organisation within these Tiers, we prioritised the Top 4 reasons to join the Association. Seb has been asked to prepare a virtual presentation pack that could be used to talk to potential members. We will also look to have some materials printed on recycled coffee cups to send out to those potential members. The first draft should be available later this week for the Top Tier companies, it will them be the aim to target the right individuals within those companies. AndK, PR and TBlack will be looking at a strategy to approach these companies.

TBlack also noted that as part of this we also look at reviewing the membership fee structure, and how we can look to smooth this out so no big jumps both up and down within the banding.

TBlack summarised that there are 6 key organisations that we need to focus on this year with the aim to get them to join the BCA.

TBlack asked those on the call if there was any other business.

AS noted, he only had one thing and that was "Goodbye".

AndK wanted to take this time to extend his sincere thanks to TBlack for all his hard work over the last couple of years.

15. Dates of the next Board meetings:

- **Tuesday 15th June 2021 – 11.00a.m. -12.30p.m.** – Either Physical Meeting at the FDF or Via Teams
    - Technical Committee Meeting
- **Tuesday 9th November 2021 – BCA Board Meetings – 11.00a.m.- 3.00p.m.** – Either Physical Meeting at the FDF or Via Teams.
    - Technical Meeting / Board Meeting