

## Covid-19 and the Coffee Supply Chain

**Q: What is the Government's overall demand on businesses?**

**A:** Government wants to achieve a 75% drop in social contact as one of the key aims of reducing the speed at which the virus spreads to a level at which the NHS can continue to function, whilst at the same time maintain crucial services such as health, emergency services and food. To manage this balance it has determined that within these sectors there are key workers – workers without whom the chain will not function but who cannot perform their role remotely.

**Q: Is the coffee sector listed as one of the key business areas?**

**A:** Not specifically. Government has kept the definitions deliberately broad, it can be found [here](#). The general Defra definition of food does however encompass both food and drink (non-alcoholic), coffee is therefore brought within that definition.

**Q: So are workers in the coffee sector 'Key Workers'?**

**A:** Using the above definition the view that has been taken, based on various conversations and feedback from Cabinet office, via Defra officials, is that the key worker status does apply to coffee. Furthermore, it applies to those in the production, processing, distribution, sale and delivery.

**Q: And what does that mean in practice?**

**A:** The overall intention is to keep the food and drink supply chain operating. Therefore, any individual in that supply chain who can only perform their role on-site (site should be taken to include transport), is considered a key worker.

Whilst key workers are able to take advantage of the school option for their children, they are encouraged to do so only when necessary and with prior arrangement with the school – which needs to ensure it can provide sufficient teachers, safeguarding requirements etc. Key workers are also currently able to use public transport, whilst all other employees must work from home.

**Q: So whilst my business may be key, I may not be a key worker?**

**A:** Correct, if you can perform your role at home then, irrespective of the business, you would not be considered a key worker.

**Q: And are the rules the same wherever I may live**

**A:** No, some schools or local authorities have been requiring evidence of key worker status, although this is diminishing whilst, in Scotland, the requirements are different with both parents needing to be classed as key workers. If you or your colleagues are experiencing difficulties in these areas, please contact BCA.

**Q: So, are there any other restrictions placed on my business?**

**A:** All businesses still operating need to put in place measures to achieve the social distancing 2m requirements that Government has called for. The aim has to be to achieve this wherever possible and certainly avoiding prolonged contact below that distance.

**Q: Will we / colleagues be expected to prove what our role is?**

**A:** At this stage Government is not placing any requirements on individuals to prove their role falls within the key worker definition. If however Government cannot reduce social contract by its 75% target then the current policy may be reviewed (other EU countries are requiring documentary proof for certain aspects of daily life).

**Q: Is there any risk of COVID-19 transmission through food and drink products?**

**A:** Current official advice indicates that the risk of transmission through food and drink products is negligible. However, it is sensible to ensure normal, good, food safety management procedures, for example not being in the proximity of product if you are unwell. Current evidence indicates that COVID-19 can be spread person-to-person through respiratory droplets, typically coughing or sneezing.

Members should however review all of their current procedures to ensure risks are reduced. This may include, but not be limited to, sample approval and cupping processes.

**Q: What about the cost of complying, what assistance is Government proposing?**

**A:** As you may have seen, the Government has a range of grants and loans at both business and individual level. These include:

**Small Business Grant Fund** – announced in the budget- further details [here](#)

**Coronavirus Business Interruption Loan Scheme** – loans to SME's through the British Business Bank – further details [here](#)

**Deferred VAT** – available to all businesses, deferring VAT payments for 3 months

**HMRC Time to Pay** – delayed tax payments, by arrangement – further details [here](#)

**The Covid Corporate Financing Facility (CCFF)** – For larger businesses, requires credit rating – further details [here](#)

**Coronavirus Job Retention Scheme** - Announced by the Chancellor on 20<sup>th</sup> March 2020 – further details [here](#)

**Universal Credit** – Whilst the chancellor has temporarily increased benefits for self-employed workers (including contractors and freelancers) who may lose their roles as a result of the deepening impacts of COVID-19, wages have not yet been guaranteed. The allowance for Universal Credit has been increased to £94.25 per week.

**Q: What else is BCA seeking?**

**A:** We are investigating the possibility of Government extending some of its measures originally announced for hospitality and retail, such as Business Rate relief, to cover businesses further back along the supply chain.

We want to see more clarity on the position of banks and other lenders with regard to loan repayments and the Bank of England support for flexibility for those with repayment challenges.

**Q: What is the position on contractual obligations, eg. Force Majeure?**

**A:** Below are links to a webinar and a paper on some of the contractual obligations which have been produced by some of the FDF's Professional Affiliates.

<https://www.fdf.org.uk/webinar-contractual-considerations-covid19.aspx>

<https://www.walkermorris.co.uk/publications/coronavirus-and-contractual-obligations-what-businesses-need-to-know/>

**Q: What other issues are being seen in terms of global movement of goods?**

**A:** Some countries are introducing quarantine periods for vessels before they dock, adding to delays. There is some evidence of vessels for Europe seeking to unload in one port only – with supplemental vessels then needed to bring the UK component of the vessel into the UK.

Some growing concern about the cost of delays, particularly demurrage with demands for such charges to be removed or reduced as circumstances are out of the control of the parties. It is not clear there is any movement on this at this point in time.

*This document will continue to be added to, and expanded upon, as further information becomes available. Please do contact the BCA if there is a specific issue or enquiry you would like clarity on, or you think should be included, in this document.*