



Board Meeting Minutes

Wednesday 23rd November 2022

FDF, 10 Bloomsbury Way, London, WC1A 2SL & Via Teams

Present at meeting:

Paul Rooke	BCA Executive Director
Tracy Brown	BCA Secretariat
Deirdre McCooey	Bewleys (Via Teams)
Mick Flynn	Complete Coffee (Via Teams)
Jason Cross	CWT (Via Teams)
Chris Coates	Taylors (Via Teams)
Susan Turner	Taylors (Via Teams)

1. Apologies for Absence

Andrew Kerr	OCR Commodities (BCA Chair)
Chris Rogers	AGC (Commodity Store) Ltd
Angus Kerr	Coffee ag Ltd
Jenny Breadmore	Cafea UK
Tasmina Hoque	JDE
Jane Aldridge	Nestlé

2. Competition Law Compliance

It was proposed that the Teams meeting would run under the revised FDF competition law compliance rules previously distributed.

3. Minutes of the Last Combined AGM/Board Meeting

No comments received – minutes approved.

4. Matters Arising from Previous Meeting Minutes

No matters arising.

5. Administrative & Management Items

• Audited Management Accounts and Balance Sheet to 31/10/22

PR noted that previously circulated is the data for the 10 months to the end of October 2022.

Our expectations for income will actually be higher to the end of the year, this was due to in part to a higher income for Arbitration Services, as you can imagine have been increased activity this year and the Dinner took more income than budgeted.

PR noted that we have already had reserved 3/4 of the available tables for the 2023 the dinner.

The salary expenditure would not be as high as budgeted, due to the fact we have been down to 2 employees for a significant part of the year.

Travel expenses have started to increase due to attendance at more physical meetings.

PR noted a question from the Executive Committee in terms of plans for the higher end of year balance and it was felt the increase in planned parliamentary activity would take part of this increased amount.

The balance sheet currently shows net assets as of £359,484.00, this will obviously change by the end of this financial year.

- **BCA 2023 Working Budget**

PR noted that we have reduced subscription income slightly, this is due to some lower tonnage figures received from Members.

PR added that salaries should be back to that proposed for this year, hopefully with a new employee in place on the communications side.

This should give us to a small surplus at the end of the year.

PR noted that within the salaries, and as agreed with the Chair and the Executive Committee there is an increase of 4% in salaries for both the Executive Director and the Secretariat.

The meeting accepted the financial report.

6. Executive Director Report

- **Defra ICO Discussion**

PR reported on a recent call with Defra, those officials who represent the UK at the ICO, and members. The aim had been to understand from their point of view their thoughts on the ICO itself and the work being undertaken.

PR added that Defra contribute a considerable sum to the ICO, there is no report of them wishing to pull out of membership of the ICO, but they are looking for value for money from its membership. They have noted that they are willing to take forward issues that we an Association would like to raise through to the ICO. It was an extremely useful conversation, and that we are in tune as to how we want things to work with the ICO.

PR noted that we have the Education Seminar in April (18th – 20th) next year, and as we are keen to continue forging stronger relationships with them it will be held at the ICO offices. The new ICO Executive Director is also keen for some of her staff to attend this seminar.

PR noted that we are also continuing our linkage with other Associations and Organisations such as NCA, SCTA, ECF, Sintercafe. Work will continue around issues that have an impact for all of us, and it is key that the BCA has a seat at this table.

MF asked if the BCA have direct access to ICO council meetings, PR confirmed that we currently don't, but Defra has noted that they would be our conduit for any issues. PR added that we may be able to attend as an observer. MF added that Defra should be able to appoint us as an accredited observer at these meetings, PR noted that he will certainly follow up on this.

Action: PR

PR added that we are looking at the starting of a new era with the ICO, and for it to be a more dynamic Association.

MF asked about the PSCB, PR noted that there are still several question marks as to how this might operate in practice, this is a new development under the new agreement, with several countries (including the UK) still yet to approve it. MF added that elevating Trade and Industry within the ICO could mean a fee attached to that, PR agreed that likely it would.

- **UK Parliamentary Activity**

PR noted that you likely would have seen the draft template letter and parliamentary contact details sent through to Members for them to start or build on their engagement with constituency MPs.

PR added for us it is the first step as to how we do more work at a UK level with governmental departments.

Our next step is to run an event in parliament, hopefully with our office consistency MP supporting this. To give Members an opportunity to showcase work being undertaken and proactive work being done within the industry. We are looking at how we can link this with a specific coffee event. To make a success of this, we will need Members to take part.

PR added from an Executive Committee point of view, it is hoped working with the BCA's constituency MP that we might be able to host a dinner with their constituency MPs.

- **Associations Update**

PR noted that we have been working at this for around a year now with NCA/SCTA/ECF, the aim is not about setting up and new organisation but coordinating on messaging and how we promote industry views through the ICO and WCPF.

PR noted to be discussed how we can further engage with governmental departments.

PR stated that a concern raised along with other Associations, such as tea, rice, spices etc. some of the challenges engaging with UK government. Who is the department in government who has the responsibility for coffee, it has proved very difficult to pin down one specific department. How we take things forward and next steps, perhaps through or linked with a parliamentary event. It is all about getting a consistent view from the UK government as to how they support commodity sectors such as ours, particularly as we look forward challenges around sustainability, climate, producer income levels and the role UK government has around this. PR added that we align with the UKTIA on several issues, and we will continue to take this forward to 2023. CC added that at a UKTIA technical meeting last week, there is an appetite from the tea sector to work closely together to take things forward.

- **Communications Objectives 2022/23**

PR noted that as you are aware we are a person down, but we are looking for someone to fill the role on the Communications side at this time, but we have a couple of good candidates which we hope to take things further very soon.

We are keen to increase Member engagement, as well as the profile and visibility of the BCA and strengthen political engagement and this has started.

To promote best practice on environmental issues and Member community but economic and social aspects are linked in.

We continue to build engagement with other relevant associations and NGOs, such as Fairtrade, we have a joint webinar with them on the 7th December.

- **Deforestation**

PR noted that the Sustainability Committee met last week deforestation remains as a high priority, especially at EU level, the US are also making moves on this. From an EU perspective we understand where the proposals are, but there are concerns about data capturing technology, and the ECF are looking at a project with the European Space Agency using satellites. But as well as satellites verification by on the ground activity would also be required, and currently there is not the infrastructure in place for this.

PR noted that from a UK perspective and following conversations with Defra on the 22/11/22 we are still waiting to see the next steps following the consultation earlier this year. Defra were happy with input from BCA and the additional information provided alongside this. We are awaiting their next steps; the timeline is unclear.

PR noted that the UK remains of the view that it wants to phase in the legislation, the phasing-in would put palm and soya at the front of this process with coffee further down the line, but people could start to take relevant steps now.

- **EnviroScore Labelling**

PR stated that there has been a concern for some of Members is with the placing of environmental scores on packaging. There have been several projects that have been underway including the IGD project. This has the backing of the main UK Retailers.

Current 4 main indicators are:-

1. Climate Change
2. Water Use
3. Water Quality
4. Land Use

There have been some virtual reality trials with consumers, results are due by the end of the year.

There are gaps within this methodology.

There have been meetings held with the FDF to discuss this, and the BCA is part of the wider IGD working group, and as part of the FDF group.

PR noted that a lot of these scorings are based on a per kilo assessment, rather than a per serving basis, we have tried to convince IGD that a per serving basis is the way to go for coffee to generate useful information for consumers.

- **Packaging Waste & EPR**

PR noted that a lot of this will now be happening in 2023.

There are still several issues that are outstanding. FDF is leading on this, their concern is that there is not engagement with government officials, and that several bits of vital information on EPR is still expected before we can move forward on this. FDF is working with the retail consortium and some of the packaging waste consultants have said that they cannot do any further work with government until they get clarity.

EFRA want to see EPR brought in for all businesses irrespective of size by 2030, they want to see the income derived from EPR ring fenced for recycling and infrastructure and research.

- **Technical**

Glyphosate

PR noted that the concern is that the EU is due to reduce the MRL levels at some point, this has been delayed currently as they have run out of time.

PR added that this could see 2 million tonnes of import at risk with some origin countries seeing higher levels of residue than others.

The UK will be reviewing MRLs, and they have asked the holder of rights of the product (such as Bayer), to provide necessary data by the end of this year. Following conversations with Bayer they note that we are unlikely to see further reductions in MRLs in the UK at this time.

This will raise a difference between the UK and the EU, and we will see this with several MRLs. PR added that he is currently compiling a spreadsheet of some 500-600 to highlight the number of differences, around 28-30 for coffee.

Contaminants

PR stated that new levels for OTA are coming in from the 1st January 2023. That has been well flagged, important to note that if a product is on the market prior to that date with levels over the new MRLs it can still be marketed until expiry date.

PR noted that for Acrylamide, the EU continues to push for MRLs on AA, which industry is fighting.

PR added that these actions are not generally being replicated by the UK FSA, their focus is around such things crisps and chips as their exposure to children to these products is higher than coffee.

Mineral Hydrocarbons

PR noted that there has been a review of the presence of MOSH and MOAH. This is a concern for both coffee and cocoa due to the spinning of Jute fibres felt to be the area of contamination. The ECF is looking to undertake further work in this area to better understand exposure. Currently this has to be done on a company-by-company basis with Jute manufacturers.

MF raised concern on the differences between MRL levels between the UK and the EU for glyphosate, as several Members do trade between both. If the MRLs are exceeded and the potential for coffee would be destroyed was quite worrying. MF asked if the BCA could do a separate update summarising these issues as some Members may not read all the minutes. PR noted that he was going to work on this, not just on glyphosate, over the Christmas and New Year period when things are a bit quieter. PR added that if MRLs are exceeded, and thinking of work from his previous industry, the shipment would not be able to be re-exported, but added he is not sure how this would work for coffee, what are the risks, how these risks could be mitigated, how many of these risks are insurable. Possibly even if the UK as a more relaxed approach likely we would have to default to the EU measures. Some origin countries would be under the MRLs, whereas other won't, is this potentially due to residues in the soil. PR added that there is work being done via the ECF to have an import tolerance for glyphosate, and Bayer have taken this on, but added there will be a gap from the reduced MRL being implemented to a possible import tolerance.

Action: PR

CC noted that there is definite need to have data to refer to with the authorities and working together to understand what the risks and challenges are. CC added that there is another level of complexity if shipments being imported into the UK via Europe, what does this mean to UK port authorities. PR noted that the ECF have commissioned work to look at the top 10 most commonly found active ingredients in coffee and their MRLs, and this is something that we can lean on and tweak to be UK specific as we move forward. The ECF have been more effective in the EU than other organisations due to the good quality data collected. PR noted that there are ways to collect data that are cost effective for UK business and to build on that. CC added that if an import tolerance would be valid into the UK, what are the critical chemicals requiring potential import tolerances for both the UK and the EU. PR added that he understands that CRD would be happy to take the EFSA data. CC asked if we could get access to this EFSA data, PR would need to check on the rules.

Action: PR

MF asked would there be any merit in having recognised testing stations at origin, PR noted that products tested at origin being found to be OK, but on arriving at destination had then been found to have exceeded levels. MF added the last thing we want is 100% losses, PR agreed as there was a whole range of negatives sit around that.

ECF – Single Serve Units

PR noted following a leaked EY proposal to review the existing Packaging Waste Directive, the ECF has not been able to reach and agreement with its Members for various reasons and a vote is to now be convened, the options are as follows:-

- **Option 1: Request that ALL SSU (recyclable & compostable) are considered as PACKAGING with a DELAY in the implementation of the EPR fee**
- **Option 2: Request that ONLY recyclable SSU are considered as PACKAGING with a DELAY in the implementation of the EPR fee**
- **Option 3: Request that ALL SSU are NOT considered as PACKAGING, UNTIL there is sorting and recycling infrastructure in place**

PR noted that because this is an EU issue, the BCA Executive Committee have confirmed that we abstain, but we will support the ECF as to the majority outcome reached.

ECF Environmental Factors

PR noted that this is driven by the Commissions Green Deal, encompassing things such as farm to fork, with the aims to reduce the pesticide usage by 50% by 2030.

Environmental considerations to also be considered due to clothianidin and thiamethoxam and the impact on bees/pollinators, both have been banned within the EU. The concern is about this starts to become a more regular feature on the review of MRLs.

The historical use of MRLs has been as a trading standard, not as a tool for addressing environmental challenges.

From an industry perspective what is the impact on reduced MRLs, and the possibility of 'illegal' coffee entering the EU but would be acceptable to be sold elsewhere.

- **Activities for 2023**

PR noted that in 2023 we have several things planned.

- Education Seminar 18th – 20th April 2023
- BCA 71st London Coffee Dinner – 9th June 2023
- ECF Contracts & Arbitration Seminar – Date To Be Confirmed
- BCA Arbitrator Workshop – Date To Be Confirmed

- **Arbitration Act Review**

PR noted that there is an ongoing review by the Law Commission on the Arbitration Act, the general view is there is not too much to change, just a few tweaks required. There are a couple of concerns for the commodity sectors generally, one of these is an attempt to get arbitrators to have duty of disclosure. This is driven there are some parts of the arbitration world, not in the commodity sector who feel that some arbitrators become professional arbitrators and take on work from a small number of parties, there is therefore a question mark around impartiality. There is a strong push back from the commodity sector that arbitrators need to have experience in the industry, and this therefore reduces the pool of people. PR noted that the BCA nominate the arbitrators rather than the parties appointing their own Arbitrators, which does not pose such an issue for us, but our intention is to support the commodity sector.

7. Items to go forward to 2023 AGM

PR noted that he does not have anything specific to go forward to the AGM at this time.

8. Member Recruitment

PR confirmed that we have had several new Members join us organically, we have also started to approach several the medium to large potential Members.

PR noted that we have also produced a new membership category for those type of potential Members, for whom our current membership categories do not fit, we hope to have this finalised with the Executive Committee by the end of this year.

9. Dates of 2023 AGM & Board Meetings

Date	Meeting	Location
Thursday 23rd March 2023	BCA Board Meetings • Technical • AGM • Board 11.00a.m. – 4.00p.m. Hybrid Meeting	FDF, 10 Bloomsbury Way, London, WC1A 2SL – Room Machin
Wednesday 29 th November 2023	BCA Board Meetings • Technical • Board 11.00a.m. – 3.00p.m. Hybrid Meeting	FDF, 10 Bloomsbury Way, London, WC1A 2SL – Room Cleminson