



10<sup>th</sup> April 2024

Rt Hon Steve Barclay MP  
Department for Environment, Food and Rural Affairs  
2 Marsham Street  
London  
SW1P 4DF

Dear Secretary of State

**Border Target Operating Model (BTOM) – Cold Chain Federation (CCF) Concerns**

I am writing to express our concern regarding the proposed Border Target Operating Model (BTOM) and its potential negative impact on our sector and the UK consumer.

You will recall that we wrote to you on the 26<sup>th</sup> of February this year and to date we have had no reply.

We believe the current model continues to pose significant challenges to the efficient and safe movement of temperature-controlled plants and products of animal origin, potentially jeopardising vital supply chains and impacting food and bio security at a critical time.

As a result we are requesting that the Government gives serious consideration to postponing the live introduction of BTOM on the 30<sup>th</sup> April 2024, consult in detail with industry and re-launch at the end of October 2024.

As you know, the cold chain – a network of temperature-controlled logistics firms spanning farms, warehouses, transportation, and retail – plays an essential role in ensuring the safe, fresh, and accessible delivery of food, plants, and medicine across the nation. Our industry, valued at over £8.5 billion and projected to reach £12.5 billion by 2028, is a critical pillar of the food and pharmaceutical system and the broader national economy.

The latest set of import regulations come into effect on the 30<sup>th</sup> of April and having had three years to announce any common user charges, the Government has done so with just three weeks before implementation on the 3<sup>rd</sup> of April 2024.

We hope you will agree that such short notice causes immense commercial challenges in terms of readiness and shows a lack of commercial understanding in terms of the implementation of new pricing structures to allow for such extra costs.

Our concerns continue to fall into the following broad areas. Despite asking for support and guidance on these matters there still remains ambiguity and a lack of clear leadership from HM Government on these matters.

We continue to have concerns around the groupage model which is vital to many small producers and UK retailers:

- **Groupage**
- **Readiness of EU businesses and support infrastructure**
- **UK testing facilities and biosecurity**
- **April 2024 changes to the process**

### **Groupage**

Many of my member companies operate a 'groupage' model, often with a commitment to 4-hour or less response times. This is challenging but achievable. This 'just-in-time' approach has supported EU food imports for many years, ensuring a steady supply of fresh food and plant varieties, many of which are now be classed in the BTOM 'medium risk' group and fall into the 24-hour pre-notification process. This remains a challenging scenario when modern and highly efficient logistics processes are subject to the new BTOM notification process.

Countries that have been identified as being particularly vulnerable are France and Netherlands where goods are loaded less than 24-hours before transport or on a weekend. In particular, short shelf-life food, fresh produce such as fish and plant materials that require temperature-controlled transportation will be highly susceptible to enforcing the 24-hour ruling.

Groupage operates through mixed loads at multiple temperatures from multiple suppliers with pick up points throughout Europe. With the 30th of April deadline looming it remains unclear whether the government understands the impact of its plans on complex cold chain operating models.

One 'live' example shows a medium risk supplier placing an order with a UK haulage and warehouse firm at 9am UK time in the Netherlands. It is packed, picked up and travels to the UK by ferry, leaving Rotterdam at 14.30, arriving in Felixstowe at 22.00.

Consignments arriving in Dover etc operate on an even tighter turnaround time.

The 24-hour rule will not be workable for the thousands of consignments that this example represents and if this consignment is chosen for inspection, it cannot be processed in time for the Border Control Post (BCP) closing time of midnight.

We note with concern that no standard service level exists for BCPs and that most will not operate 24/7, accepting that the Sevington site will.



We welcome the 'trusted trader pilot' that goes some way to supporting groupage operations but have yet to see a wider more permanent roll out and adoption of this model.

We welcome the commitment by the management of the Sevington site that all checks will be completed in a 90-minute time target. But we have concerns about the viability of fresh produce should this target fail to be met. The target does not appear to consider waiting time for inspection or time spent travelling to the (BCP).

Many vehicles operate multi-temperature consignments from plants that require 14C transport facilities, through to products of animal origin being stored at 3/4C and -18C. We have yet to receive any assurances that BCP's such as the Sevington site can assure both bio safety and product quality by isolating consignments at the correct temperatures for minimum inspection and wait times.

#### **Ask of UK Government:**

**To clarify how it anticipates supporting UK cold chain haulage and storage businesses to continue to operate safe and timely deliveries of EU goods into the UK.**

**In particular, what are the details of the 24-hour support proposed by government to support CCF member companies and its drivers to work with the new regulations and how will the 24-hour notification be enforced?**

**The 24-hour rule can be derogated to four hours upon application, but the process and responsibility remain unclear. The CCF asks government for urgent clarification of this point.**

#### **Readiness of EU businesses and support infrastructure**

All future consignments in medium to high-risk groups require an Export Health Certificate and are subject to the pre-notification process.

It is a requirement that all goods falling within these categories will have to have an export health certificate issued by a veterinary practitioner per consignment. Since the phase one roll-out we are seeing many consignments being administratively rejected because the consignment is being signed off by an unqualified signature. We remain concerned that there is a lack of qualified veterinary officers and that the requirements of sign off are still unclear to importing producers and countries.

With the introduction of Export Health Certificates and a consignment charge we believe that this will deter many food producers in the EU from choosing to export to the UK. The CCF is already receiving communications from European producers stating that they will cease to export to the UK.

With the publication of Common User Charges and our knowledge of temperature-controlled freight passing through the Port of Dover we are now in a position to begin to understand the

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financial pressure these charges impose upon the cold chain sector (passing through Dover alone) and the impact this may have on EU food producers and UK retailers.

Examples are set out below:

**Single consignment, single POAO commodity load, weighing 23t travelling through Dover:**

- EHC: £300 (costs are variable depending on EU member states and whether a VET is required to attend. Costs appear to be in the range of 70 – 500 Euros)
- CUC: £29 (as this load only requires a single line CHED)
- Port Health (if inspected): £11x23t = £256
- Increased admin costs for customs clearance / paperwork: £50

**= £635**

**Single consignment, 5 POAO commodity load, travelling through Dover. Groupage loads could have 10+ of these consignments:**

- EHC: £300 (same range as above)
- CUC: £145
- Port Health (if 2 commodities inspected each weighing 5t): Irrespective of whether other consignments are inspected or not the charge is 'consignment gr wt' x £11 = £256
- Additional admin costs for customs clearance / paperwork: £60

**= £761**

**10 consignment loads of single POAO product (each weighing 2t) travelling through Dover to multiple UK destinations:**

- EHC: £300-£500 x 10 = £3,000 - £5,000. (Assuming they are from multiple suppliers.)
- CUC: £29 x 10 = £290 (This could increase if the number of CHED lines is more than 1)
- Port Health (if 2 consignments inspected each weighing 2t): £66 x 10 (even if only 2 consignments checked) + (£11x4t) = £704
- Admin costs for customs clearance / paperwork / other: £600

**= upper range of £6,594**

Using figures derived from the Port of Dover authorities and the Port and Domestic Waterborne Freight Statistics (PORT) we can see that the Port of Dover sees 2.6 million lorries pass through the port every year, serviced by 156,000 cargo vessels.

33% of all EU trade passes through the Dover/Calais/Dunkirk routes every year amounting to £144 billion.



We also know that of that 2.6 million traffic volume that around 30% is temperature-controlled food and plant products. If we assume that the haulage volume is equal in both directions across the channel, then we have:

390,000 temperature-controlled vehicles entering Dover every year carrying products of animal origin and plants (we have excluded those carrying vegetables and fruit). The consignments will be split between the examples given above and so if we take an average figure from above, we are looking at an extra cost to the temperature-controlled supply chain passing through Dover of:

**390,000 vehicles x £2,663 (average of extra charges due to BTOM) = £1,038,570,000.** Which breaks down to:

Common User Charges of:

**390,000 vehicles x £155 (average from examples above) = £60,450,000.**

Port Health Inspection Charges of:

**390,000 x £405 (averaged from example above) = £157,950,000.**

**However, HM Government declare that only 1 to 30% of vehicles will be checked giving a figure of £1,579,500 - £4,738,500.**

Additional Administrative Charges due to new BTOM regulations applicable to Dover inspections:

**390,000 vehicles x £237 (averaged from examples above) = £92,430,000.**

Whilst the additional total annual cost to the end-to-end supply chain of food of animal origin and plants passing through Dover is likely to be a conservative £1 billion, we anticipate that HM Government will see an additional income of circa £60.45 million.

This figure does not include the savings from budget cuts in the Dover Port Health Authority and does not include the costs of POAO and plant products from other UK ports, which would be a significant addition.

Government has stated that its only intention in applying charges is to recover its costs in building the new Border Inspection Point Sevington and we assume any IT and staffing costs.

Does one new site actually amount to an additional £60.45 million per annum to be charged every year from here on?



Government also states that the new import regulations set out in BTOM will only add 0.2% to any food inflation in the UK. The CCF believe that an additional cost to the supply chain of animal food products and plant products of over £1 billion per annum, through just one port will significantly increase food prices and reduce choice.

We also believe that this will seriously threaten the viability of SMEs operating within food retail such as small garden centres, restaurants, and delicatessens.

### **Ask of UK Government:**

**To disclose the actual costs of the new Border Inspection Point at Sevington and its ongoing annual costs, in order to assure the cold chain sector that the charges being aimed at the sector are not simply a hidden stealth tax on the industry and SMEs in the UK.**

**To disclose its calculations as to how it has come to an assumption that only 0.2% will be added to food inflation as a result of the introduction of BTOM. Has this figure been arrived at by calculating the effect of food inflation on Dover imports alone?**

**The figures outlined in this letter apply to Dover Port imports alone and exclude vegetables and fruit, many of which are currently exempt from EHCs due to a derogation. Government announced recently that this derogation would end in October and then backtracked. When will the current derogation on fruit and vegetables classified as medium risk end?**

**Has the Government considered what impact the extra costs of full import controls will have on consumer prices and EU exporters.**

**The conservative figures set out in this letter are of real concern to the sector. Does Government (as suggested in its latest communications) have any intention of expanding the common user charge to any other areas of the UK?**

### **UK testing facilities and bio security**

Another area which is of real concern to us is bio security once medium and high-risk goods have reached UK soil.

A new inspection site is to operate in Sevington, which is 22 miles inland, reached via the A20 and M20. Dover Health Port Authority (DHPA) estimate that at least 3,500 consignments of produce per month will need to be verified as safe and therefore subject to inspection. The CCF challenge this figure, knowing that at least one major import transport firm process' 1000 per week, which includes documentary to full inspections.

By definition, this means that potentially unsafe and contaminated food will be able to travel 22 miles inland before being secured. We are also aware from DHPA figures that five tonnes of dangerous and illegal meat were intercepted in just one month leading up to Christmas 2023.



This clearly demonstrates a determination for criminals to import high value, but potentially dangerous meat products into the UK and the 22-mile corridor now open to them (or indeed, other criminals to intercept high value goods) adds further risk to the UK food chain in that it provides numerous routes to exit from the inspection process.

Whilst we accept that the Sevington site must be given time to become fully operational, there is merit in further investing in and expanding the 'trusted trader pilot' to allow medium risk goods to be fully secured during transit and warehousing by allowing proven operators to operate their own secure inland control points, leaving Sevington to focus on the less scrupulous operators.

We have just visited the Port of Felixstowe to see a £multi-million, brand new BCP, which is mothballed and has no staff allocated to it. With just three weeks before the 30<sup>th</sup> of April deadline, we remain deeply concerned about the readiness of BCP facilities.

**Ask of Government:**

**To work with experts from the CCF and its membership to urgently facilitate discussions on how the 'trusted trader' scheme can expand to support the intentions and smooth operation of BTOM.**

**The CCF notes that the government has embarked on a 'journey assurance' pilot. We welcome this and ask government to work with the CCF and its members to advance this work rapidly in order to support the wider aims of BTOM.**

**To urgently review the readiness of all proposed BCP facilities and issue an update on their capacity.**

**We are now aware that some new sites, such as those at Portsmouth, have been declared as not fit for purpose. A number of sites have been constructed around the UK and many remain unmanned and closed. Can Government report on which sites are ready and fully operational to ensure food safety and security of food and plant imports to the UK consumer and retail community?**

**Consequences of BTOM from April 2024.**

This letter summarises the added cost and administration and delay to the importation of medium risk frozen and chilled produce. But this remains particularly critical to the chilled food sector where both safety and quality are paramount to the UK consumer.

Understandably, UK food retailers insist on the highest standards of both welfare and food security before it can be accepted by them. Even a 24-hour delay in the system described above may result in rejection of that load/consignment.

The cost and environmental impact of this added wastage will invariably find its way to the UK consumer. Add to this, consignment charges, added administration, health certificate costs and the

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cost of vehicles and drivers when checks and delays are factored in, and it is inevitable that food inflation will result.

The UK consumer and retailers will also suffer from a lack of choice as smaller EU producers decide that importing to the UK is no longer administratively and financially viable.

The cold chain logistics operators are ready to adapt to the live BTOM roll-out on the 30th of April. But we remain concerned that EU administrations, producers and UK government inspections are not.

When 2021 UK Exports rules came into force many smaller cold chain UK warehouse and distributors found the administration to onerous and ceased to operate. With BTOM going live in April 2024 the effect on both European partners and UK firms may be similar.

Clarification on the issues identified in this letter and further consultation with the cold chain warehouse and distribution network will alleviate many of the issues highlighted.

**The CCF is increasingly concerned that the Government implemented BTOM structure is not ready for live roll out and call for its delay until the autumn of 2024 so that the major elements of the supply chain can work with Government to ensure it can assure the UK consumer of its ability to safeguard food importation from EU mainland.**

**We do not accept that Government has consulted with the sector. Its latest publication of its consultation document shows that it has ignored the concerns of the experts with the supply chain and forged ahead with a system which it must now know is at risk of failing in its primary purpose.**

**Substantial feedback from EU producers and UK SME retailers also suggests that many businesses may be threatened by its introduction at the expense of Government realising a substantial additional income in the form of a stealth tax.**

**The Government must understand the serious consequences of blindly continuing with a full implementation on the 30<sup>th</sup> of April 2024. The CCF urge Government to postpone full implementation until October 2024 to allow for meaningful consultation and collaboration.**

We await your response and look forward to working with you to resolve issues leading up to and beyond the 30th of April deadline.

Phil Pluck CEO

Cold Chain Federation