BORD BIA
IRISH FOOD BOARD

Bord Bia's

Brexit Action Plan 2021

Supply Chain

GETTING IRELAND BREXIT READY

Rialtas na hÉireann
Government of Ireland

7TH EDITION: MARCH 2021

SUMMARY OF ACTIONS

1. Supply chain management

- Map your supply chain
- Apply traceability best practices
- Implement strategic purchasing
- Consider groupage for transporting your consignments
- Identify cost-reducing measures

2. Risk management and mitigation

- Identify risk areas in your supply chain
- Create a critical supplier list
- Understanding the preparedness of your supply chain partners
- Consider alternative sourcing away from Great Britain
- Examine contingency stockholding
- Explore options for shelf life and lead time of your products
- Understand your UK landbridge dependency

3. Contingency planning

- Implement a contingency plan as an immediate response to Brexit
- Identify & assess critical single source suppliers
- Undertake a vulnerability assessment of your most critical suppliers



Supply Chain

There is no longer frictionless trade between Ireland and Great Britain now that the UK is no longer in the European Union.

This section of the Action Plan focuses on the key actions that Irish food and drink manufacturers can take in order to get a better understanding of their supply chains and the risks that Brexit has brought to them.

The first section, Supply Chain Management, covers activities that your business should be carrying out as part of regular business best practice, such as supply chain mapping, improved purchasing and groupage.

The second section, Supply Chain Risk Management, looks at further measures that companies can take to deal with post-Brexit challenges, as well as other risk events.

This includes advice on mitigation planning, which refers to the different steps businesses can take to minimise the impact of Brexit. It also looks at contingency planning, which are the plans that would be enacted when a risk event occurs.

Supply Chain Management

Supply chain mapping

Supply chains start from the sourcing of raw material to the delivery of the end-product and includes a range of inter-connected processes and resources in-between.

The friction in trade poses challenges to supply chains for business that trade with Great Britain, and those who use the UK landbridge. It is crucial therefore, that supply chains are mapped out in order to understand the importance of each supplier in the chain.

Mapping your supply chain can help you identify your business's potential exposure to risk, as well as highlighting potential opportunities to make new logistical and cost efficiencies.

The benefits of mapping supply chains are:

- Improved ability to easily identify points of vulnerability in your supply chain(s).
- Better awareness of where you might be over-dependent on a critical supplier.
- Clear proof points to support financial calculations and scenario testing.
- Enhanced transparency and traceability across your business.

The following steps can help you map out your supply chain:



Physically map out all your supply chain to ensure you are aware of every players' role and responsibility within the chain.



Identify who your suppliers' own suppliers are (and to the extent possible where they are based – i.e. in the UK, the EU or elsewhere).



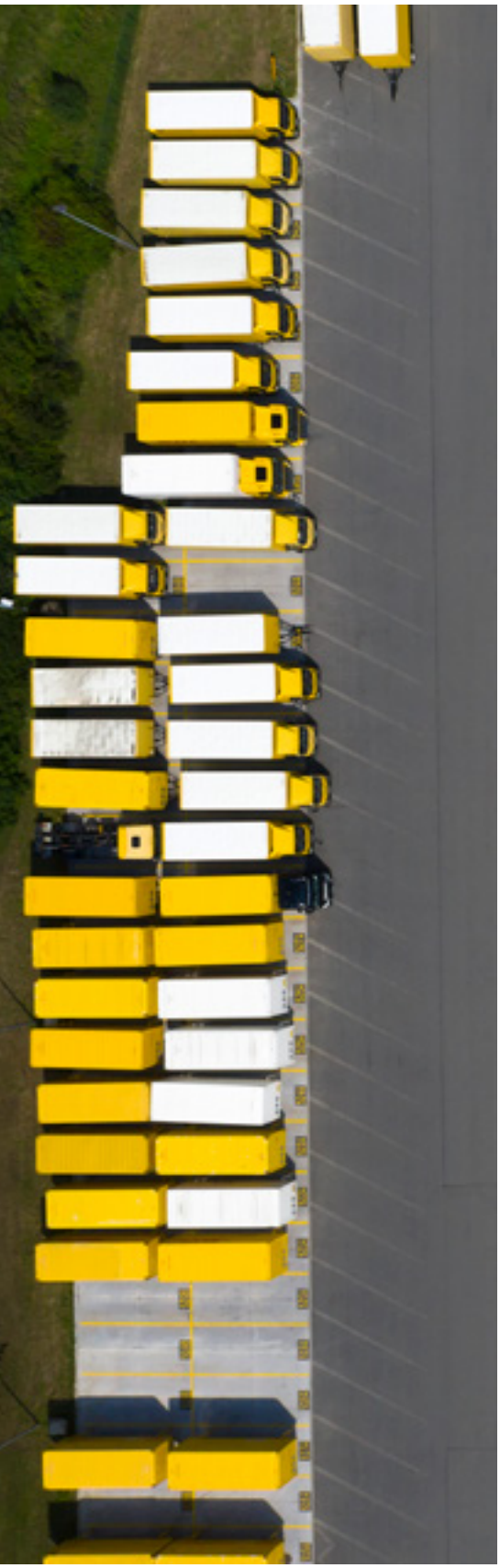
Identify your level of dependency on all the players in your supply chain.



Engage with an industry, product or logistics expert, or partake in Bord Bia's supply chain workshops.



Identify all the different raw materials in the chain and attempt to understand from where they are sourced.



Traceability best practices

A key aspect of mapping your supply chain is being able to trace both where your raw materials have come from and where your final products end up.

To ensure traceability of ingredients, packaging and other inputs the following steps are considered best practice across the food and drink sector:

- **Product identification.**
  It is critical that products are uniquely identified with a product number and a batch number. This information should be shared between all distribution channels.
- **Original material tracing.**
  When materials are combined, processed, reconfigured or repacked, there must be linkage between the new product and original materials to ensure traceability is maintained. This can be particularly complex for some processed food products.
- **Information sharing.**
  Ensure that your distribution channels collect, record, store and share necessary information to enable the downstream traceability of the items.

Improved purchasing practices

Considering a strategic approach to purchasing is an important way to ensure efficiencies and profitability within your business.

To gain a more informed position, the following approaches could be considered:

1. Review periodically the basics of your purchasing, including the procurement cycle.
2. Compare or benchmark costs of supply chain elements with similar companies. The rates for distribution and transport tasks tend to be independent of product, but a function of volume, temperature (e.g. for products requiring a controlled cool chain) and location.
3. Build long term supplier relationships and work collaboratively with suppliers to identify opportunities, to synchronise planning, improve visibility and reduce costs.
4. Seek to reduce the number of suppliers in your supply chain in order to gain economies of scale and reduce the time needed to procure inputs.
5. Attempt to convert as many fixed costs as possible to variable ones.
6. Use a centralised purchasing approach whereby the decisions are made by one department. This will allow for more control and minimal waste.

Groupage

Groupage is an arrangement where several companies transport their goods together, in a single container.

Groupage arrangements are vital for 51% of Readiness Radar respondents, as well as many other manufacturers. This potential vulnerability in the supply chain is a key concern for the food and drink industry. Manufacturers relying on groupage arrangements are particularly concerned at how the current complexities are managed by their logistics partners. In the context of Brexit, the challenge posed by groupage is that customs inspectors and other control officials may wish to inspect a number of consignments in a load, resulting in accumulated delays. Manufacturers should ensure that they are working with hauliers and freight forwarders that can consolidate similar products and ensure as seamless a movement of goods as possible.

The following checklist provides insight into the steps to take when considering opting for groupage transportation:

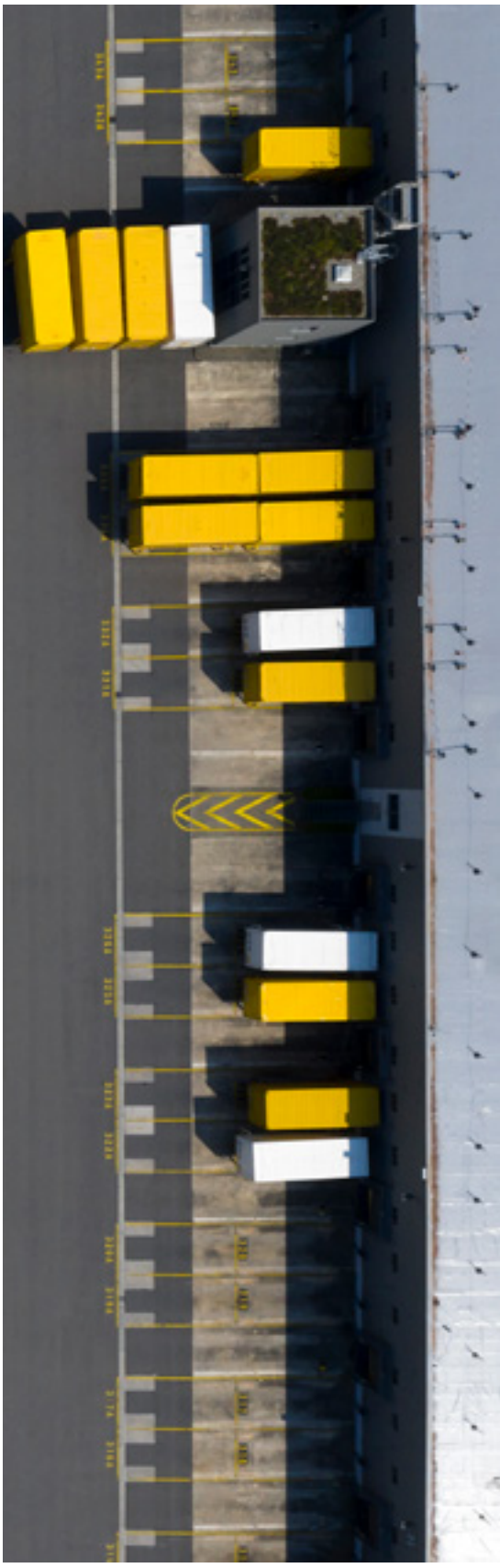
- Choose the appropriate form of transport for your business. This is crucial to ensure your import or export operation is cost-effective and adequate.
- Assess your transport needs, considering elements such as weight, size, lifespan, whether a temperature control vehicle will be required and associated costs.
- Ensure that your supply chain partners are grouping similar goods together.
- Provide all the necessary and correctly completed customs and control documentation to your forwarding agent and logistics partner.
- Confirm with your forwarder/logistics partner how they will ensure that all consignments travelling together have the correct documentation.

For more information on groupage, see Bord Bia's Food & Drinks Supply Chain Logistic Report.

Supply chain cost-reducing measures

There is a range of ways to reduce the costs along the supply chain, which will help ensure that efficiencies are being met:

- Re-design of the supply chain to improve sales and operation planning.
- Identify duplication or inefficiencies that could be streamlined.
- Move processes to the optimal point in the supply chain.
- Weigh up the cost of storage against increased delivery frequency and extended product shelf life.
- Optimise batch sizes to reduce the need to split orders further down the supply chain.
- Use groupage for small consignments as much as possible.



Risk Management & Mitigation

Understanding the risks to your supply chain

The changes to supply chains as a result of Brexit require risk assessments so that you are aware of weaknesses in your supply chain.

Understand your stakeholders' supply chain concerns and needs. These include your suppliers' and particularly your customers' concerns.

Create a critical supplier list (see more on this below).

Identify points of risk along your supply chain.

Develop a mitigation plan and put together a dedicated team to implement this plan.





Identifying your critical suppliers

It is important to identify a critical supplier list so that you can put in place measures to protect those suppliers, or have alternative sourcing options in place, under the new trading relationship with the UK.

Follow the below steps to create a critical supplier list:

- Consult your supply chain map to identify which suppliers your business relies heavily on.
- Use knowledge within your organisation to rank suppliers for business continuity purposes.
- Rank your suppliers by how much you spend with them.
- Ensure to update the list regularly.

Consider alternative sourcing to reduce UK dependency

Brexit has caused disruptions to current supply chains, so looking for alternative suppliers may help your business mitigate its risks.

Alternative sourcing means reviewing the suppliers that you use to check whether you could choose a different supplier that isn't based in the UK or isn't dependant on the UK landbridge. Examine your supply chain map to identify potential areas where alternative sourcing could be implemented.

- Research whether it is better to use alternative suppliers, rather than imports from Great Britain or imports from mainland Europe that rely on the UK landbridge.
- Carry out a cost analysis to see whether it makes financial sense to switch to an alternative supplier.
- Use the Bord Bia database of hauliers and freight forwarders, which includes databases for France, Germany, the Netherlands, Poland and Spain.

If you have not yet assessed the preparedness of your supply chain partners, you need to do it now. The following questions can be used to understand their preparedness:

1. Can they provide an overview of their Brexit contingency plans?
2. What steps are they taking to ensure that all consignments have provided the correctly completed and correct customs documentation?
3. Have they considered alternatives to using the UK landbridge and can they outline the associated costs?
4. Have they considered delays at the port and the increased costs?
5. Have they secured AEO (trusted trader) or other simplification registrations?
6. Are they open to negotiating fix-term agreements?

Contingency Stockholding

Careful consideration should be given to holding additional stock. Under the new EU-UK trading relationship, increased checks are taking place at the borders between Great Britain and Ireland, and the UK and the rest of the EU, which is adding delays to the journeys.

This level of disruption to supply chains is impacting the ability to deliver goods on time tocustomers. Therefore, building up stocks at strategically located warehouses in mainland Europe may be beneficial for your business. Each warehouse could serve several countries' markets.

The benefits of stockholding are:



Control

Stockholding will prevent you from losing sales as you will be able to execute customers' orders, even if some of your goods are delayed at the border.



Protection

Stockholding gives you protection against delays at the border which will help you maintain your brand's reputation and strengthen customer relationships.



Agility

Stockholding increases your ability to meet customer's demands and respond quickly to orders, even if there are delays at the border.

The following recommendations could be considered:

- Consider alternative locations for holding stock to ensure proximity to customers.
- Consider what warehouse providers are available and associated capacity options.
- Examine whether there is potential to share storage space with similar sector companies.
- Undertake a cost benefit analysis to understand which option is most suitable for your company.

Examples of warehouse locations:

INTERMEDIATE WAREHOUSE LOCATIONS	POTENTIAL COUNTRY MARKETS
Rotterdam, Zeebrugge	The Netherlands, Germany, Poland, Nordic Countries
Dunkirk, Calais, Boulogne	France, Belgium, Spain, Portugal

Shelf Life and Lead Times

Delays at borders could have an impact on the shelf life of products. Products that are particularly vulnerable are those that need to be chilled throughout the transportation journey, such as meat and dairy products. These products have a short and finite shelf life so any disruptions or delays could have a detrimental impact on them.

In order to prepare for potential delays, the following ideas could be considered:

Long Shelf Life Products

- Consider finding additional warehouse capacity.
- Ship goods well in advance to allow for delays at the border. However, there is likely to be increased cost associated with this.

Short Shelf Life Products

- Consider, if technically possible, increasing the length of shelf life through investing in research and development. This will have associated costs and may take time to implement.
- Consider product diversification, e.g. fresh produce to frozen. A well-developed commercial marketing strategy based on insight will also assist in validating this opportunity.



UK Landbridge Dependency

The UK is often used as a landbridge to link trade between Ireland and mainland Europe, especially for high value or time-sensitive goods. This is due to the significantly faster transit times from Ireland to mainland Europe, compared to shipping. Exporting or importing goods via sea routes can take up to twice the time of the landbridge.

According to the Department of Agriculture Food and the Marine (DAFM), animals and animal products moving across the UK landbridge must be placed under the customs transit procedure in order to maintain their Union status, and EU regulation requires SPS controls on animals and goods transiting a Third Country. In addition to this, on the 3rd of July 2020, EU officials agreed on a draft agreement to ease the passage of Irish agri-food exports when they are transiting through the UK via green lanes to continental ports. However, it is important to note that this will not eliminate delays at ports completely.

It would be prudent, therefore, to take measures to mitigate delays along the landbridge, or to consider alternative options.

- Apply for Transit Procedures. The UK has signed up to the Common Transit Convention which means that procedures are in place to facilitate the transit of exports and imports from one territory to another. More information on the Common Transit Convention and how to apply for Transit Procedures can be found in the Customs & Controls Chapter.
- Undertake a cost analysis regarding alternative transit options to using the landbridge. The alternative options include:



  - **Stockholding:** Where shelf life allows, consider contingency stockholding in local markets. This may be particularly relevant if customers have 'just in time' delivery requirements.



  - **Sea routes:** Identify alternatives to using the landbridge, such as using sea routes or air routes. This will be dependent on the shelf life of your products and on the ferry capacity.



  - **Air routes:** Consider air freight to selected markets if cost effective for high value, short shelf life products.

- There are disruptions to goods transiting through the UK landbridge. The UK government has introduced the 'Check a HGV is ready to cross the border' service for Ro/Ro traffic to ensure hauliers are carrying the right documentation. This service issues a Kent Access Permit (KAP) for each HGV as long as the correct information is provided. Acess to key roads leading to the Eurotunnel or the port at Dover are prohibited to drivers unless they have a KAP which can cause delays. Drivers could be fined up to be fined up to £300. Paperwork needs to be provided to avoid this risk and minimise delays.

You could also look at your options on avoiding the landbridge completely.

- Traders should re-evaluate using the landbridge due to the delays this route is causing under the new EU-UK trading relationship.
- According to IMDO's Maritime Connectivity report there is enough capacity on direct routes to the continent to deal with landbridge traffic in both RoRo and LoLo services.
- Ask traders to 'assess' their supply chains, the capacity on shipping routes and the new shipping services. Traders should then 'communicate' with shipping companies on the products they are exporting and the shipping industry can meet this demand if they receive enough contact from businesses. Finally, traders should 'trial' these services and be ready to make the switch if it is more feasible than using the UK landbridge route.

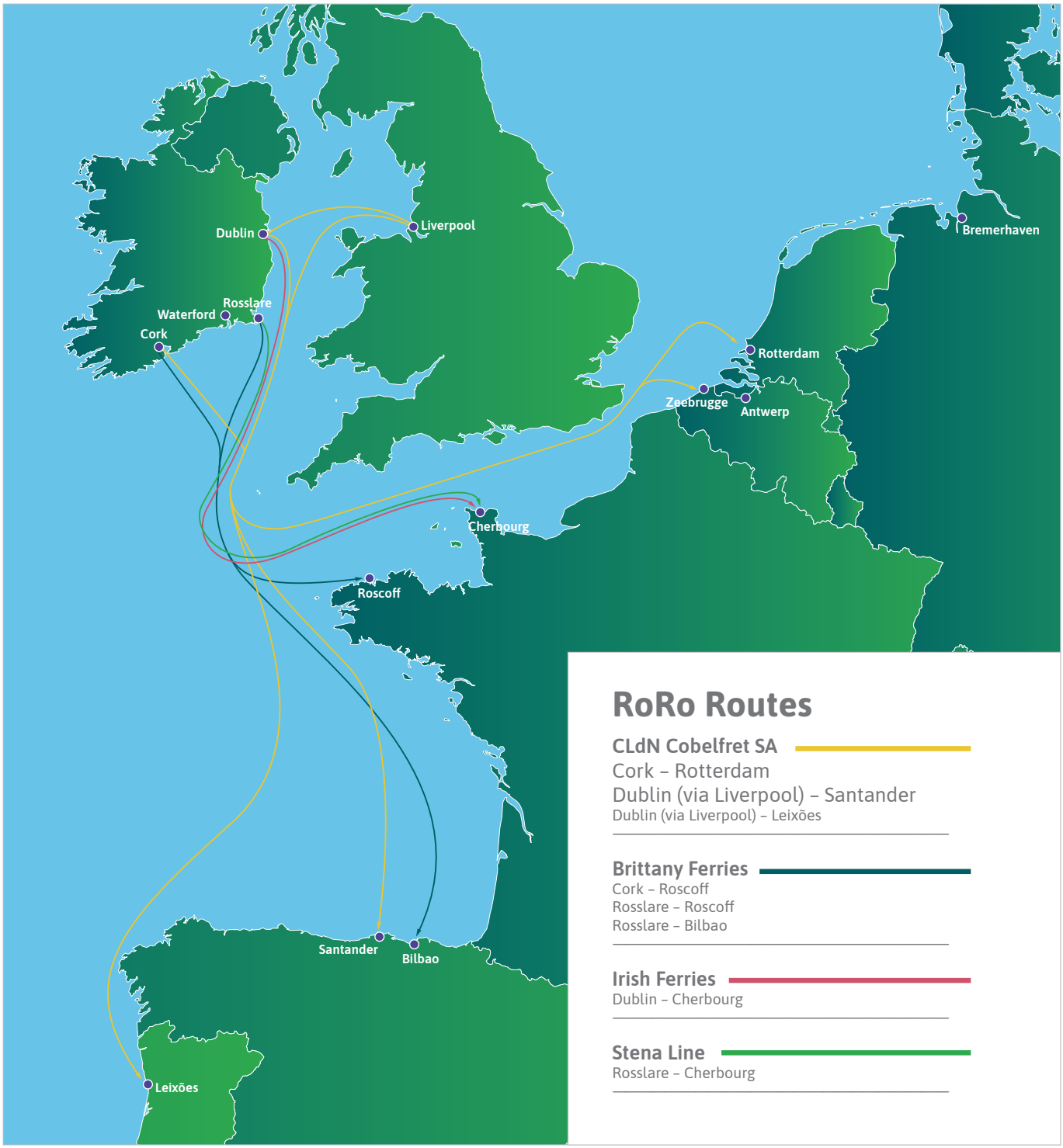
"take measures to mitigate delays along the landbridge, or consider alternative options."

Ferry routes from the island of Ireland to the UK and Europe as of February 2021:

Please note that in recent months, routes have been subject to change as shipping companies have responded to market demands arising from Brexit. The below is accurate as of February 2021 but it is recommended that exporters check directly with shipping companies for latest routes.

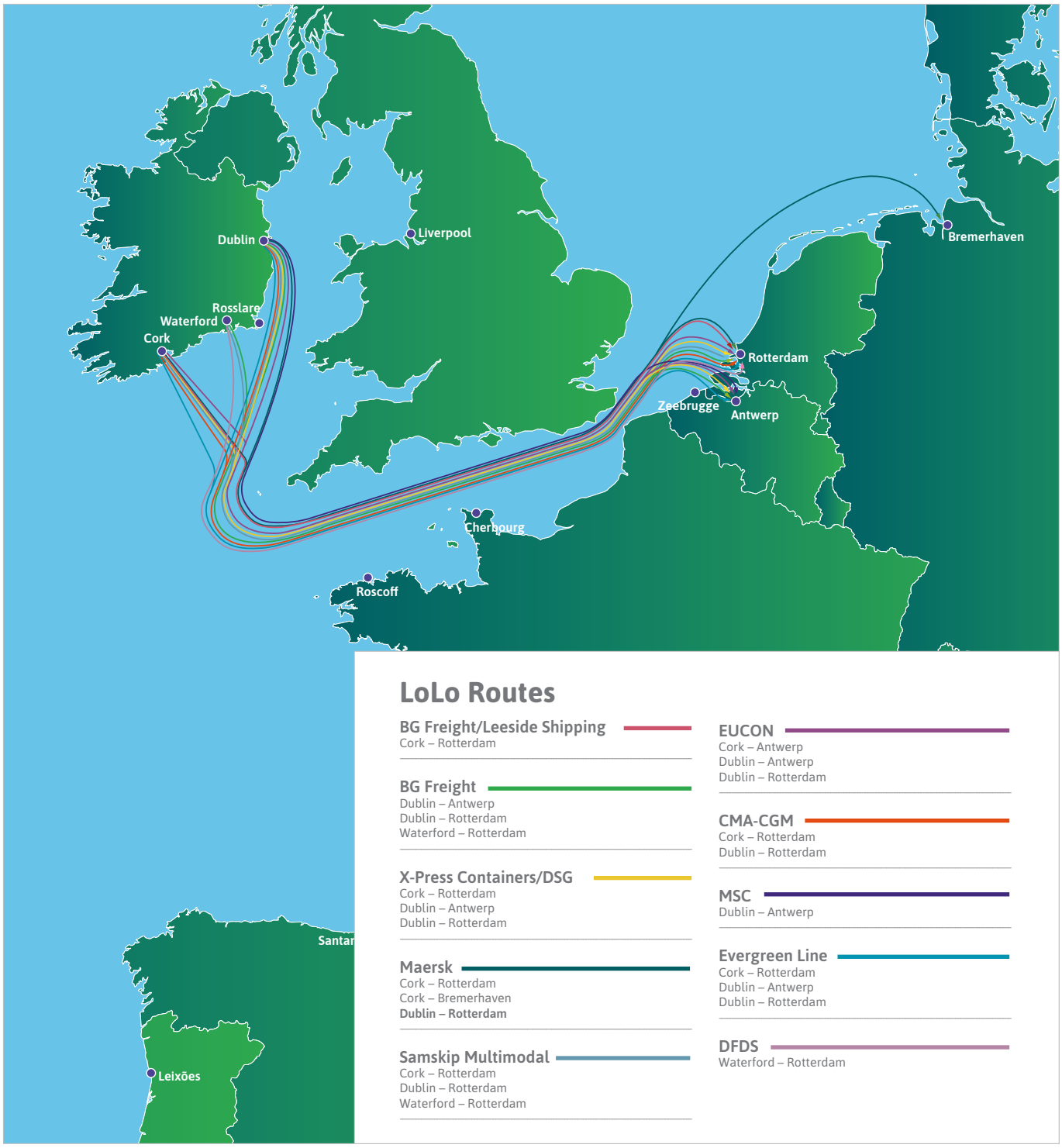
From	To	Ferry Company (click links below for timetables)	Weekly Departures		Transit Time
Ireland – GB			**Departures to**	**Departures from**	
Dublin	Holyhead	Irish Ferries Stena Line	55	55	3hrs30
Dublin	Liverpool	P&O Irish Sea Seatruck	36	35	8hrs
Dublin	Heysham	Seatruck	5	5	8hrs
Rosslare	Pembroke	Irish Ferries	14	14	4hrs
Rosslare	Fishguard	Stena Line	14	14	3hrs15
Ireland – Europe			**Departures to**	**Departures from**	
Dublin	Cherbourg, France	Irish Ferries	3	3	19hrs
Dublin	Zeebrugge, Belgium	CLdN	2	2	1 day 12hrs
Dublin	Rotterdam, NL	CLdN	4	4	2 days 1hr
Dublin	Esbjerg, Denmark	CLdN	2	1	3 days 9hrs
Dublin	Leixoes, Portugal	CLdN	1	2	5 days 12 hours
Dublin	Santander	CLdN	2	3	5 days, 4 hours
Rosslare	Cherbourg, France	Stena Line Brittany Ferries	7	7	18hrs30
Cork	Roscoff, France	Brittany Ferries	1	1	14hrs
Rosslare	Bilbao, Spain	Brittany Ferries	2	2	26hrs
Cork	Zeebrugge	CLdN	2	2	36hrs
Cork	Rotterdam	DFDS	1	1	3 Days
Waterford	Rotterdam	DFDS	1	1	2 Days

RoRo Routes to the Continent



Source IMDO

LoLo Routes to the Continent



Source IMDO

Importing into France after transiting the UK Landbridge

Live animals and POAO have documentary checks once they reach France and include the checking of health certification for intra-EU exchanges when required (e.g. live animals); TRACES NT pre-notification for other goods; checks on certain categories of goods (i.e. animal by-products); as well as seals on all consignments at the BCP.

Fishery products must be taken to Boulogne-Sur-Mer with a transit declaration, (T2), submitted up to 72 hours in advance before presentation of the goods. Lorries that enter Calais will be led to a green lane, unlike the other SPS goods, towards the border control post of Boulogne-Sur-Mer.

Consignments containing plants and feed of non-animal origin that are transiting Great Britain will have no controls. Before drivers board in Great Britain on route to Calais, they need to ensure that the related CHED number has been provided in the customs declaration on TRACES NT.

Guidance on French customs controls can be found here.

Guidance on Dutch customs and controls can be found here

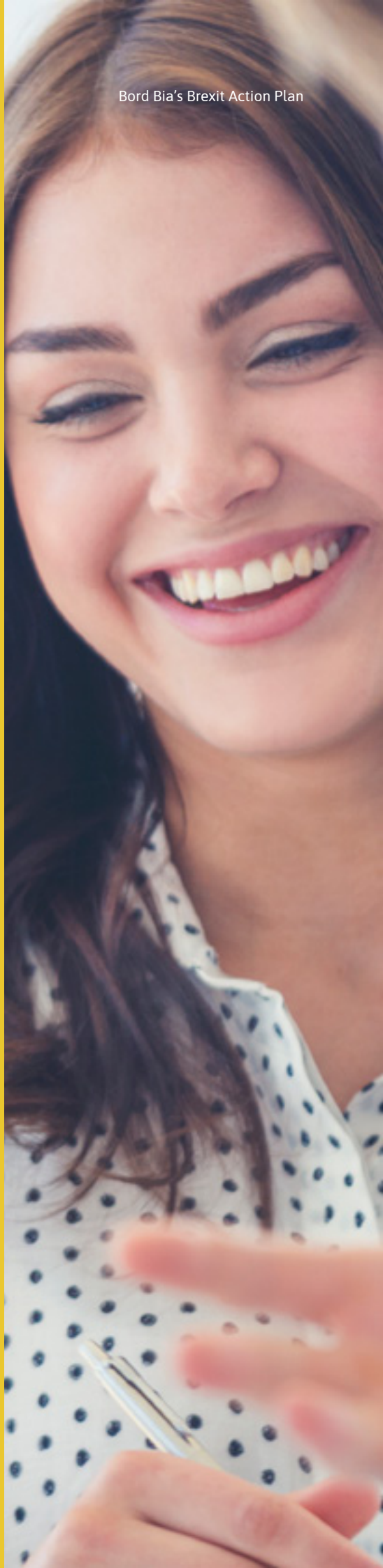


Contingency planning

Contingency plans are those which are enacted when a risk event takes place. It is crucial, therefore, that as well as creating mitigation plans your business also a contingency plan in place to ensure the continuity of your business when the risk event happens.

The following steps will help you build a reactive and effective contingency plan:

1. Agree the scope of the continuity plan with all functions of your business.
2. Establish emergency responses to a logistics challenge.
3. Identify your critical business processes that must be protected.
4. Create an Incident Management Team and allocate key responsibilities.
5. Ensure continued access to key customers' and suppliers' contact details.
6. Get insurance for Business Interruption or Contingent Business Interruption to mitigate against financial losses following a supply chain disruption incident.
7. Run a 'live' scenario to create a simulation of a disruptive event. This will help to prepare staff on how best to respond to an event that could interrupt your business. It can also test whether your business continuity plan is fit for purpose or whether there are any adjustments needed to be made.



Supply Chain Checklist

The following supply chain self-assessment checklist provides prioritised guidance on how to take proactive measures to protect your supply chain.

	REVIEWED 'BUSINESS AS USUAL'	DRAFTED A PLAN FOR IMPROVEMENT	IMPLEMENTED CHANGE FOR POST-BREXIT PROOFING
Map your supply chain			
Understand your customers' supply chain needs			
Implement traceability best practices			
Implement improved purchasing practices			
Review the use of groupage transportation for your products			
Identify supply chain cost reducing measures			
Carry out a supply chain risk assessment			
Create a critical supplier list			
Examine the possibility of alternative sourcing			
Understand the preparedness of your logistic partners			
Conduct regular business resilience testing			
Consider contingency stockholding			
Consider the shelf life and lead times of your products and identify whether changes can be made here			
Assess your business' dependency on the UK landbridge and consider alternative options			
Create a contingency plan and an Incident Management Team			
Test your contingency plan			

Supply Chain Supports

Bord Bia Supports

Information on all of the Bord Bia supports listed below is available on the Bord Bia website.

Insights & Intelligence

Bord Bia's Readiness Radar

Bord Bia launches an annual Readiness Radar, which is a risk diagnostic tool developed to assess industry thinking and performance around a number of priority risks and challenges. These include Covid-19, Brexit, Challenges to Market Diversification, Sustainability Pressures, Consumer Insights and Innovation, and Talent Management.

It enables Irish food and drink manufacturers to prioritise and assess their own company specific risks facing their businesses.

Readiness Radar Gap Analysis Report

Each client company that completed the Readiness Radar received a Gap Analysis Report. The Gap Analysis Report enables you to understand your risk exposure and level of preparedness across the six key challenges outlined in the Readiness Radar: Covid-19, Brexit, Challenges to Market Diversification, Sustainability Pressures, Consumer Insights and Innovation, and Talent Management.

Food & Drinks Supply Chain Logistics - Strategies for Success

Food & Drinks Supply Chain Logistics is a strategy guide that assists Irish food and drink manufacturers to identify operations partners, establish more efficient distribution channels or routes and identify possible strategies for reducing supply chain costs.

Export Assistance

Bord Bia has a large range of programmes and actions in place, to assist businesses with their export operations. These supports include information on supply chain and logistics, foreign markets, distribution, a range of Distributor Guides, as well as Bord Bia's Marketing Fellowship programme.

Bord Bia's Logistic Partner Database

The Logistic Partner Database enables Irish companies to identify logistics service providers operating both in-market and internationally. The database covers the UK, France, Germany, the Netherlands, Poland and Spain. Simply select a supplier type from the drop-down menu to begin. Your search can be customised by company name, country or product category such as (ambient, chill or frozen) and by service (type such as transport or warehousing).

Capability Development

Supply Chain Workshops

Bord Bia's Supply Chain Optimisation Workshops focus on the key issues identified in the Readiness Radar, addressing areas such as building resilience to supply chain partner dependency, implementing best practice among supply chain partners, developing advantage in your supply chain and strengthening supply chain customer relationship.

Further information on these workshops can be found on the Brexit page of the Bord Bia website.

To receive further information on this programme, please contact info@bordbia.ie or contact your Sector Manager.

Other State Supports

Local Enterprise Offices (LEOs)

Brexit supports from LEOs in every county include:

- **Brexit Mentoring:** offering one-to-one advice to companies on identifying key Brexit exposures and developing robust strategies to address issues and maximise potential opportunities.
- **Technical Assistance for Micro-Exporters Grant (TAME):** financial assistance to explore and develop new export market opportunities.
- **Lean for Micro:** helping businesses adopt LEAN business practices to increase competitiveness.
- **LEO Innovation and Investment Fund (LIIF):** support for innovative development plans.

Further details are available on the Local Enterprise Office website.

Revenue Brexit Seminar Video Recordings

Revenue delivered a series of important Brexit preparedness seminars in October 2020. These seminars covered topics such as import and export customs requirements, LoLo and RoRo importing services, the requirements for moving goods through the UK landbridge as well as the requirements for trading with Northern Ireland. The recordings are available here.

IMDO Re-Assessment of Ireland's Maritime Connectivity in the Context of Brexit and Covid-19 Challenges Report

This report outlines that there is capacity for RoRo and LoLo routes from Ireland to mainland Europe. It can help you in your decision to re-assess using the UK landbridge when exporting/importing to/from Europe. The report can be downloaded here.





BREXIT

2021

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